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Financial reports and audited financial statements, and reports of the Board of Auditors

Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2015

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes to report to the Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly part II of the responses of the executive heads of the funds and programmes, namely, the International Trade Centre, the United Nations University, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the Fund of the United Nations Environment Programme, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

The present report provides information further to the comments already submitted to the Board of Auditors, which in some cases were included in the Board's final reports to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations, and many of the comments of the executive heads have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments from the executive

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heads only where required, as well as information on the status of implementation, the office responsible, the completion target date and the priority for each recommendation contained in the reports of the Board. In addition, the report contains an update on the status of the implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented.

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I. Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes to provide their responses, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of the following General Assembly documents:

(a) Resolution 52/212 B and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly (A/52/753);

(b) Resolution 70/238 A, in which the Assembly, in paragraph 8, reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure the full implementation of the recommendations of the Board and the related recommendations of the Advisory Committee in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board. In paragraph 9, the Assembly reiterated its request to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old; and in paragraph 10, the Assembly also reiterated its request to the Secretary-General to indicate in future reports an expected time frame for the implementation of the recommendations of the Board of Auditors, as well as the priorities for their implementation and the office holders to be held accountable.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for the completion of the implementation of the recommendations.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main recommendations". While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be considered of the highest priority.

II. International Trade Centre

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[1]

5. Tables 1 and 2 summarize the status of implementation of recommendations as at September 2016.

[1] A/71/5 (Vol. III), chap. II.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	1	–	–	1	1	–
Division of Programme Support and Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Office of the Executive Director	2	–	–	2	2	–
Office of the Executive Director and Division of Programme Support	1	–	–	1	1	–
Total	**5**	**–**	**–**	**5**	**5**	**–**
Percentage	**100**	**–**	**–**	**100**		

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	4	–	–	4	4	–
Division of Programme Support and Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Division of Programme Support and United Nations Office at Geneva	1	–	–	1	1	–
Office of the Executive Director	2	–	–	2	2	–
Office of Executive Director and Division of Programme Support	1	–	–	1	1	–
Office of the Executive Director, Division of Programme Support and Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Total	**10**	**–**	**–**	**10**	**10**	**–**
Percentage	**100**	**–**	**–**	**100**		

6. **In paragraph 16, the Board recommended that the International Trade Centre (ITC) should formally evaluate the success of its resource mobilization strategy and further consider other options such as cost reduction to ensure that programme support costs are sufficient to cover the full costs of project activity.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

7. A formal evaluation of the success of the ITC resource mobilization strategy will be carried out on an annual basis, from the first quarter of 2017. Progress on resource mobilization targets is already being tracked through the Centre's key performance indicators on pipeline development and resource mobilization, which were defined in the ITC operational plan for 2016 and are aligned with the Centre's strategic plan for 2015-2017. The upgraded ITC project portal monitors the pipeline, projects under implementation and closed projects relating to specific funders, programmatic areas, regions or project size. Options for cost reduction are considered at the corporate level, as part of the annual budget planning. Each project budget is critically reviewed as part of the project quality review and approval process.

8. **In paragraph 34, the Board recommended that ITC continue to review the scale and nature of manual adjustments and journals to identify training needs and process efficiencies.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

9. The number of manual adjustments and journals is expected to decrease now that the transition to Umoja from the legacy system is complete.

10. **In paragraph 35, the Board recommended that ITC, in line with instructions issued by the United Nations Secretariat, try any new accounts production process in advance of year-end and ensure robust closure procedures and a clear schedule of reports which will be required to support the financial statements.**

Departments responsible:	Division of Programme Support and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

11. The project to automate the preparation of financial statements is managed by the Department of Management in the United Nations Secretariat for all entities

using Umoja. ITC is coordinating with the Department of Management to implement this recommendation.

12. **In paragraph 38, the Board recommended that ITC develop clear plans to ensure that payroll clearing and control accounts are reconciled on a timely basis with a full supporting trail.**

Departments responsible:	Division of Programme Support and United Nations Office at Geneva
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

13. The United Nations Office at Geneva handles the ITC payroll. The Centre will liaise with the United Nations Office at Geneva to coordinate the implementation of this recommendation.

14. **In paragraph 41, the Board recommended that ITC provide a specific training course for programme staff to ensure that they understand the rules and procedures for processing Umoja transactional workflows for which they now have responsibility.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

15. ITC has already conducted training for programme staff both in 2015 and 2016, and this will be continued as planned.

16. **In paragraph 44, the Board recommended that ITC clearly communicate the business benefits of Umoja and allow sufficient resources to continue to support staff to ensure that the new system becomes embedded in normal business processes and that there is full utilization of the Umoja functionalities.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

17. As Umoja matures, ITC will be registering business benefits in line with the guidance from the United Nations Secretariat. ITC will also continue to deepen the knowledge of its staff on Umoja and strengthen its business processes.

18. **In paragraph 45, the Board recommended that ITC review the reporting needs of the business and develop a clear schedule for the timely production of regular and extrabudgetary financial reports from Umoja.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

19. ITC has established a schedule of quarterly internal financial reports. ITC also provides biannual financial reports to its funders and clients through its public website. The reports are presented to the Consultative Committee of the ITC Trust Fund during its biannual meetings. The reports have evolved, on the basis of the feedback from the Consultative Committee and the ITC senior management. The focus is now on automating the extraction of relevant information from Umoja utilizing its business intelligence reports and displaying key information through dashboards with up-to-date data.

20. **In paragraph 49, the Board recommended that, to further strengthen internal control, business intelligence functionality should be used to identify exceptions and patterns of expenditure so as to provide insight and focus for management validation and review.**

Departments responsible:	Office of the Executive Director, Division of Programme Support and the Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

21. Exception reporting to provide insight and focus for management's validation and review is a system-wide necessity for all United Nations entities that have implemented Umoja. Work has begun to address exception reporting with the recent establishment by the United Nations Secretariat of a global monitoring function of Umoja data. ITC is liaising with the United Nations Secretariat on the implementation of this recommendation.

22. **In paragraph 53, the Board recommended that ITC record the costs and benefits of the upgrade of the project portal and ensure that, if information is produced from the portal, it is reconciled to project information in Umoja.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

23. ITC will compile a summary of the costs and benefits of the upgrade of the project portal. The reconciliation with Umoja data has already been accomplished. Financial information in the upgraded project portal is extracted directly from Umoja and displayed in a user-friendly manner.

24. **In paragraph 60, the Board recommended that ITC should update its fraud policy and response plan and circulate it to reinvigorate fraud awareness both internally and within its implementing partners, consider a programme of training and explore the potential of Umoja to identify unusual transaction trends and patterns.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

25. ITC will update its fraud policy and raise awareness to promote strong anti-fraud values internally and with its implementing partners.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

26. In the annex to its report for the year ended 31 December 2015 (A/71/5 (Vol. III), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the four recommendations listed as outstanding from prior periods, all of which are shown as "under implementation" in the annex.

27. The following table summarizes the overall situation as at September 2016.

Table 3
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	1	–	–	1	1	–
Division of Programme Support and	1	–	–	1	1	–

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
United Nations Secretariat						
Office of Executive Director and Division of Programme Support	2	–	–	2	2	–
Total	**4**	–	–	**4**	**4**	–

Report of the Board for the year ended 31 December 2014[2]

28. **In paragraph 21, the Board recommended that ITC use the benefits realization plan and the improved financial information derived from the International Public Sector Accounting Standards (IPSAS) to inform and manage financial risk.**

Departments responsible: Office of the Executive Director and Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

29. Foreign exchange risks in relation to extrabudgetary contributions are now better managed and ITC will continue to explore further IPSAS benefits.

30. **In paragraph 24, the Board recommended that ITC develop a fraud risk assessment to identify areas susceptible to fraud risk, and consider the current mitigations to manage this risk. Furthermore, management should utilize improved functionality in Umoja and the consultant's database to produce exception reports to support management review.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Second quarter of 2017

31. ITC will develop a fraud risk assessment framework based on the various instructions and existing tools. With regard to exception reports, ITC continues to liaise with the United Nations Secretariat for help and guidance on the improved functionality of the reporting tools in Umoja.

32. **In paragraph 44, the Board recommended further review of costs attributable to projects and to identify valid costs that can be directly allocated to projects in line with a clear methodology. ITC should use the new functionalities of Umoja and the next phase of the project portal programme to**

[2] A/70/5 (Vol. III) and Corr.1, chap. II

build better data to inform management's decisions on how programme support costs are identified and the rate at which they should be recovered, and to inform a costing strategy.

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

33. As ITC becomes more familiar with Umoja, and its reporting functions are gradually enhanced by the central United Nations Umoja management team, ITC will refine its approach to the identification and recovery of programme support costs. ITC is already taking steps through the upgraded project portal to implement results-oriented budgeting in the project design phase, and to report on cost at the output level.

Report of the Board for the biennium ended 31 December 2013[3]

34. **In paragraph 14, the Board recommended that ITC regularly inform both the General Assembly and the General Council of the World Trade Organization of the projected future level of funding required to support end-of-service liabilities.**

Departments responsible:	Division of Programme Support and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

35. ITC will follow the lead of the United Nations Secretariat in implementing this recommendation. Meanwhile, ITC is assessing the possibility of developing projections of the pay-out amount based on the pay-as-you-go method for end-of-service liabilities.

III. United Nations University

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[4]

36. Tables 4 and 5 below summarize the status of implementation of recommendations as at September 2016.

[3] A/69/5 (Vol. III), chap. II.
[4] A/71/5 (Vol. IV), chap. II.

Table 4
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	2	–	–	2	2	–
Office of the Rector	2	–	–	2	2	–
Total	**4**	–	–	**4**	**4**	–
Percentage	**100**	–	–	**100**		

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	6	2	–	4	4	–
Office of the Rector	3	–	–	3	3	–
United Nations University Institute of Integrated Management of Material Fluxes and of Resources (UNU-FLORES)	1	–	–	1	1	–
Total	**10**	**2**	–	**8**	**8**	–
Percentage	**100**	**20**	–	**80**		

37. **In paragraph 14, the Board recommended that UNU create deferred revenue liability for the amount of future instalments which depend on fulfilment of performance obligations.**

Department responsible: Administration

Status: Not accepted

Priority: Medium

Target date: Not applicable

38. In the particular cases cited by the Board, the creation of deferred revenue liability in the accounts as recommended would be contrary to the policy framework for United Nations International Public Sector Accounting Standards. Paragraph 8.4.15 of the framework states that: "For an arrangement to be treated as conditional, the agreement must have stated performance and return obligations that are monitored, with a mechanism for tracking and record of enforcement." These criteria mentioned are also stressed in paragraphs 21 to 24 of IPSAS 23. UNU reiterates its comments that the stipulations in the agreements are not conditions, as all the criteria for conditions in paragraphs 21 to 24 of IPSAS 23 (substance over form) have not been fully met.

39. **In paragraph 18, the Board recommended that UNU review the useful life of all assets, revalue the fully depreciated assets which are still in use and estimate their useful lives.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

40. UNU is reviewing the findings of the Task Force on Accounting Standards Working Focus Group on Property, Plant and Equipment and would adopt any necessary changes accordingly.

41. **In paragraph 31, the Board recommended that UNU-FLORES (a) review its fundraising strategy to develop new avenues of core funding such as multilateral funding agencies in order to put its financial health on a long-term, sound footing; (b) explore the possibility with its donors for establishing an endowment fund; and (c) make short-term investments of the surplus funds through the UNU Centre.**

Department responsible:	UNU-FLORES
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

42. Part (a) of the recommendation has been implemented. UNU-FLORES updated its fundraising strategy in mid-2016, which was adopted by the Advisory Committee in July 2016. Regarding part (b) of the recommendation, UNU-FLORES has during the third session of the Advisory Committee in July 2016, secured agreement to investigate the feasibility of establishing an endowment fund and the process is ongoing. On part (c) of the recommendation, UNU-FLORES has approached the donor on the short-term investment of any surplus funds through the UNU Centre, but the donor was not in agreement and is seeking advice on the matter.

43. **In paragraph 36, the Board recommended that UNU take adequate steps for proper budget planning for control and optimum utilization of its resources.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

44. UNU will address this recommendation in the context of formulating the budget for the biennium 2018-2019. Meanwhile, the budget implementation for the current biennium is being closely monitored.

45. **In paragraph 41, the Board, in view of the large amount of outstanding contributions, urged UNU to continue and strengthen its efforts to collect the outstanding contributions from the donors. In cases where reports from UNU were pending, the reports should be finalized at the earliest date possible and causes of delays in submission should be investigated.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

46. UNU is making continuous efforts to pursue the release of outstanding contributions from donors.

47. **In paragraph 53, the Board recommended that: (a) UNU take early steps to reconcile the differences between budget and expenditure figures in Pelikan and Atlas; and (b) the UNU World Institute for Development Economics Research (UNU-WIDER) ensure that the changes necessitated in the Rector's memorandum for utilizing Pelikan to its potential are implemented completely.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

48. Concerning part (a) of the recommendation, the integration between the project management system (Pelikan) and the enterprise resource planning system (Atlas) became effective early 2016. Pelikan is currently showing accurate financial information from 2016 onwards. UNU is making efforts to display historical data prior to 2016 in Pelikan using historical data available in Atlas in order to fully reconcile the budget and expenditure figures for the entire project life cycle. Part (b) of the recommendation has been implemented. UNU-WIDER is in full compliance with the data requirements of the Pelikan project management system and all its projects in the system now contain data in the mandatory fields.

49. **In paragraph 70, the Board recommended that UNU ensure that purchase orders are issued before the procurement of goods and services.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

50. UNU would remind the relevant staff members of the importance of adherence to the provisions of the United Nations Procurement Manual, in particular those relating to the issuance of purchase orders.

51. **In paragraph 76, the Board recommended that UNU ensure that all contracts are signed before commencement.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

52. UNU is revising the contract issuance checklist to include a point of ensuring that the contract issuance is prior to its start date.

53. **In paragraph 82, the Board recommended that the contract for investment advisory services should be made by UNU through a competitive process.**

Department responsible:	Administration
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

54. UNU clarifies that the selection of external discretionary investment managers be treated as an investment decision to be conducted without reference to the United Nations procurement rules; thus, no assistance would be required from the United Nations Procurement Division. Furthermore, it is not within the purview of UNU to select external investment managers. Rather, the selection is within the mandate of the Representative of the Secretary-General for the Investments of the United Nations Joint Staff Pension Fund.

55. **In paragraph 87, the Board recommended that UNU put in place a business continuity plan to ensure that it can continue in operation in the event of major disruptions to its normal business environment, in the interests of the organization.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

56. UNU acknowledges the need to develop a written business continuity plan in order to put the framework in place and has commenced work on it.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

57. In the annex to its report for the year ended 31 December 2015 (A/71/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the four recommendations listed as "under implementation" in the annex.

58. The following table summarizes the overall situation as at September 2016.

Table 6
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	1	–	–	1	1	–
Office of the Rector	3	–	1	2	2	–
Total	**4**	**–**	**1**	**3**	**3**	**–**

Report of the Board for the biennium ended 31 December 2013[5]

59. **In paragraph 35, UNU agreed with the Board's recommendation that it develop relevant guidelines for project management and include performance indicators, baselines and other key elements in the project plan in the future.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

60. The University has, on several occasions, considered the possibility of introducing a single results-based management framework for the entire University.

[5] A/69/5 (Vol. IV), chap. II.

It concluded that a single results-based management framework was ill-suited to measuring the impact of research produced by an entity such as UNU.

61. The nature of academic research undertaken at UNU makes the development of a single set of standardized performance indicators problematic. A flexible approach is necessary to take into consideration the variability across academic disciplines and regions.

62. In lieu of a single results-based management framework, the UNU Rector has asked the advisory boards and advisory committees of UNU institutes and programmes to discuss and adopt a detailed set of benchmarks and indicators relative to each UNU institute and programme. These benchmarks and indicators are formulated at the level of the institute and programme, not at the level of specific projects.

63. In addition, the Office of the Rector has revised the Programme and Project Management Manual to more accurately reflect the University's approach to project management. The revised document has been named "Project management guidelines". A first draft has been circulated to directors for comments in September 2016. UNU expects that this document will be adopted at the Conference of Directors to be held in December 2016.

64. Additional steps have been taken to address this issue in the past. Additional data were included in each programme description in the programme and budget estimates for 2016-2017 detailing "measures of success" applicable to each UNU research programme, as determined by the Director of each institute and programme. Also, enhancements were made to the Pelikan system at the launch of a second iteration of the project management system in March 2016. Monitoring indicators, which had previously been "optional", were made mandatory. Further, when approving projects, directors are required to indicate the reasons for taking up a particular project, and the mechanisms in place to assure its quality.

Report of the Board for the year ended 31 December 2014[6]

65. **In paragraph 21, the Board reiterated its previous recommendation (A/69/5 (Vol. IV)) to refine the Pelikan system by prioritizing the development of new features that enhance its relevance for the end users, including managers with a focus on financial data and alert mechanisms. It further recommended that: (a) the Institutes improve their monitoring of ongoing projects and programmes by utilizing Pelikan to its full potential; and (b) managements ensure the completeness of project profiles to reveal their actual status for better internal control and giving reliable information to stakeholders.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

[6] A/70/5 (Vol. IV), chap. II.

66. The Office of the Rector, in cooperation with the University's information and technology unit, launched the second version of Pelikan in March 2016, featuring an enhanced user interface, among other new features. The e-mail alert mechanism was kept, and has been complemented by an in-system notification mechanism. The dashboard has also been updated to provide project managers and team members with a summary of vital information for the projects they manage and/or contribute to.

67. Furthermore, the Atlas system and Pelikan have been bridged to display financial information in Pelikan. Currently, Pelikan is able to display financial information from 2016 onwards.

68. Management regularly invites directors and project managers, mainly through e-mail, to ensure the completeness of their projects. However, it is the responsibility of project managers and ultimately, institute directors, to monitor their own projects.

69. **In paragraph 33, the Board recommended that management adhere to the articles of the Cooperation Agreement with regard to payments to employees of the University of Maastricht.**

Department responsible:	Office of the Rector
Status:	Implemented
Priority:	High
Target date:	Not applicable

70. An amendment to the trilateral Cooperation Agreement was completed and signed in September 2016. There is no longer a discrepancy between the articles of the Cooperation Agreement and the payment practices of the UNU-Maastricht Economic and Social Research and Training Centre on Innovation and Technology.

71. **In paragraph 35, as agreed, the Board recommended that UNU: (a) improve the documentation practices to enhance transparency in the selection process; (b) conduct formal evaluation of the work performed before renewal of the contract; (c) make payment of fees on a lump-sum basis after certification by the authorized official of satisfactory completion of the work; and (d) take measures to ensure that the total duration of services does not exceed the administrative instructions issued in this regard.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

72. UNU is closely monitoring the selection and management of consultants and individual contractors to ensure strict compliance with the recommendations.

IV. United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[7]

73. Tables 7 and 8 summarize the status of implementation of recommendations as at August 2016.

Table 7
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	3	1	2	2	–
Department of Planning	1	–	1	1	–
Microfinance Department	1	–	1	1	–
Total	**5**	**1**	**4**	**4**	–
Percentage	**100**	**20**	**80**		

Table 8
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	13	7	6	6	–
Department of Administrative Support and Department of Health	3	–	3	3	–
Department of Administrative Support and Department of Internal Oversight Services	1	–	1	1	–
Department of Administrative Support and Gaza Field Office	1	–	1	1	–
Department of Administrative Support and Microfinance Department	1	–	1	1	–
Department of Finance	1	–	1	1	–
Department of Human Resources	2	–	2	2	–
Department of Infrastructure and Camp Improvement	1	–	1	1	–
Department of Internal Oversight Services	1	–	1	1	–
Department of Planning	1	–	1	1	–

[7] A/71/5/Add.4, chap. II.

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Microfinance Department	4	–	4	4	–
Total	**29**	**7**	**22**	**22**	–
Percentage	**100**	**24**	**76**		

74. **In paragraph 23, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) agreed with the Board's recommendation to review the policy on the creation of provisions of doubtful debt for long-outstanding value added tax (VAT) receivables based on past experience and the likelihood of collection to reach the best estimate and fair presentation.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

75. UNRWA is revisiting the existing VAT provisioning policy in the light of the current strategy and latest developments. As previously indicated to the Board, the Agency's strategy of recovery comprises multiple initiatives being discussed with the relevant authority, including settlement to UNRWA, and the possibility to offset against UNRWA payables to the Palestinian Authority. VAT in recent years has been significantly reduced due to the exemption agreement reached.

76. **In paragraph 27, UNRWA agreed with the Board's recommendation to design an action plan which will enable the midyear results review report to be issued on the due date and discussed in the results review participants meeting to support management decision-making.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

77. In the UNRWA planning calendar, which was provided to the Board, the midyear results review participants meeting was scheduled for September 2016 and the related report was expected to be issued in the same month. The report has been shared with the Board in order for this recommendation to be closed.

78. **In paragraph 32, UNRWA agreed with the Board's recommendation that it: (a) align fuel station pumping systems with the CarLog system at the Gaza field office to realize the expected benefits from the system, including online capturing of vehicles' daily fuel transactions; and (b) establish a service level agreement**

between the Information Services Division and the Procurement and Logistics Division to ensure proper support of the CarLog system in all field offices.

Departments responsible:	Department of Administrative Support and Gaza field office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

79. The Gaza field office uses the Fleetlog system, which monitors vehicles usage and serves as a tool to calculate costs of trips. Fleetlog has a feature to maintain fuel consumption data for analysis purposes. It is not linked or interfaced with the fuel pump system but has a possibility of uploading regularly the information from the optional fuel rings system, which records fuel issuance automatically and which is planned to be installed at the Gaza field office in 2016.

80. In addition, in 2016 the Gaza field office will install the Fleetwave system, which is a fleet management system developed to facilitate the administration and management of fleets of vehicles as well as related activities, such as accident and maintenance management.

81. **In paragraph 36, UNRWA agreed with the Board's recommendation that it: (a) expedite the roll-out process for the travel management system in field offices, to strengthen efficient recording and monitoring of air travel costs and enhance consistency in recording air ticket information; (b) develop a travel management policy which will define the air ticket booking arrangement; and (c) streamline the approval processes with regard to the travel management system so that they are completed within a reasonable time.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

82. UNRWA shared with the Board the new travel management policy and the roll-out schedule for the travel management system, which provides a framework for streamlining of all the approval processes. UNRWA considers this recommendation to have been implemented.

83. **In paragraph 40, UNRWA agreed with the Board's recommendation that it ensure: (a) the timely signing of the insurance contract before its expiration; (b) that all future insurance contract extensions are preceded by an evaluation of the supplier as required under chapter 12.4 of the UNRWA procurement manual (2012); and (c) the conduct of competitive tendering in 2016 so as to obtain competitive terms and price for the insurance of motor vehicles.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

84. All contracts are now signed when awarded and the new Contract Management Unit now ensures that all contract extensions, including the insurance contract, are preceded by an evaluation before renewal/extension. In addition, the competitive tendering for insurance of motor vehicles has been completed and the relevant information has been shared with the Board for its review. UNRWA considers this recommendation to have been implemented.

85. **In paragraph 44, the Board recommended that UNRWA expedite the implementation of the electronic tendering software in all field offices and headquarters to ensure that feedback is issued and communicated to unsuccessful suppliers, in order to enhance transparency in the procurement process.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

86. A new e-procurement system entitled "In-tend" was implemented in May 2016. This system has an automated feedback mechanism for use by suppliers at the end of a procurement process. UNRWA considers this recommendation to have been implemented.

87. **In paragraph 50, UNRWA agreed with the Board's recommendation that it: (a) strengthen coordination between procurement and user departments to ensure that all procurement requirements are identified in a timely manner and communicated to the Procurement and Logistic Division to avoid unnecessary shortening of the tender period; and (b) ensure that the Gaza field office performs evaluation of suppliers' performance prior to the extension of long-term agreements and use the evaluation report as criteria for such extensions.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

88. UNRWA submitted to the Board its consolidated procurement plan for 2016 to demonstrate that procurement planning is now a mandatory requirement. In addition, more than 75 new long-term agreements have been established, resulting

in shortened procurement lead times. UNRWA considers this recommendation to have been implemented.

89. **In paragraph 53, UNRWA agreed with the Board's recommendation that it: (a) strengthen the Contract Management Unit to improve the level of follow-up with the vendors to minimize delays in the delivery of goods and services; (b) ensure that specific liquidated damages clauses are included in the contract and/or purchase orders; and (c) consider establishing a new coordination mechanism for UNRWA goods with the Israeli side through the Coordination of Government Activities in the Territories Department.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

90. UNRWA informed the Board that the liquidated damages clause is part of the general conditions of contracts attached to all contracts for services and/or goods, including purchase orders to suppliers. UNRWA further provided evidence that deductions were being made from defaulting suppliers. UNRWA understands that this recommendation relates specifically to the Gaza field office, where the Board noted that no deductions were made from suppliers that had defaulted. UNRWA will follow up this matter and ensure that corrective actions are taken by the Gaza field office.

91. **In paragraph 57, UNRWA agreed with the Board's recommendation that it: (a) establish the sanction and complaints committee to handle the sanctioning of vendors in a transparent and fair manner; and (b) ensure that suspension procedures, such as coordination with the Legal Adviser and General Counsel and the Director of Administrative Support, are adhered to.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

92. UNRWA has established the Vendor Sanctions and Complaints Committee, in which the Department of Legal Affairs is represented. Vendor suspension procedures are coordinated with the Department of Internal Oversight Services and the Procurement and Logistics Division in accordance with the UNRWA procurement manual. UNRWA considers this recommendation to have been implemented.

93. **In paragraph 63, UNRWA agreed with the Board's recommendation that it: (a) conduct performance evaluations and keep records for the engaged consultants and contractors; (b) expedite the process of policy review to formalize the performance evaluations of individual consultants and contractors; and (c) ensure that all hiring departments include measurable outputs and**

performance indicators in their terms of reference for the monitoring and evaluation of results.

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

94. UNRWA is expediting the policy review process and will seek to ensure a standard and obligatory approach to performance evaluation of individual service providers by the respective hiring departments.

95. **In paragraph 65, the Board recommended that UNRWA review the policy to ensure that procedures for releasing staff for special leave without pay take into account clearance of the outstanding salary advances.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

96. The policy on special leave without pay has been updated to take into account clearance of the outstanding salary advances and it is now going through the formal approval process.

97. **In paragraph 68, UNRWA agreed with the Board's recommendation that it: (a) establish a separate store for medical supplies in the new building, to avoid mixing them with general supplies; and (b) install temperature regulators in the general store to facilitate proper drugs storage management.**

Departments responsible:	Department of Administrative Support and Department of Health
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

98. The Gaza field office is currently reviewing all the options available in order to separate medical supplies from general supplies. Once the separation is done, the Department of Health will assess the situation and seek funding for installing temperature regulators.

99. **In paragraph 71, UNRWA agreed with the Board's recommendation that it establish buffer stock to ensure efficient operations and to meet the minimum operational requirements for unexpected emergencies in field offices.**

Departments responsible:	Department of Administrative Support and Department of Health
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

100. The Gaza field office logistics team analysed and recalculated the consumption and reorder points for medical items based on historical consumption records for the past three years (2013-2015). The establishment of buffer stocks for four months is currently under way for 36 items that were selected by the Department of Health. Buffer stocks for other items will also be assessed.

101. **In paragraph 76, UNRWA agreed with the Board's recommendation that it: (a) expedite the process of finalizing the master plan by incorporating all risks and concerns of the beneficiaries to allow smooth project implementation; (b) conduct sensitization of the affected households as part of an awareness-raising exercise regarding the benefits of the project; (c) expedite the vertical densification study and incorporate the results into the project master plan; and (d) finalize the transfer budget estimates for the temporary renting of accommodation for the families whose shelter will be demolished prior to their transfer to new residences.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

102. Using the inputs from the community, as well as physical and socioeconomic mapping and technical input from infrastructural professionals and relevant municipal and governmental bodies, the urban master plan has been finalized. The consultative process was aimed at reflecting all the top priorities in a coherent plan that respects the desired results of the community. The plan covers all road details, open spaces, shelters for repairs or reconstruction, and infrastructural improvements. It also includes a detailed design of public facilities and conceptual designs for reconstruction, beachfront improvement and central market improvement, along with the updated budget for the different project components.

103. **In paragraph 80, UNRWA agreed with the Board's recommendation to develop an information and communications technology strategy together with enterprise architecture and road map to support the Agency's business objectives.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

104. The development of the information and communications technology strategy is under way and is pending the onboarding of the new Director of the Information Systems Division.

105. **In paragraph 85, the Board recommended that UNRWA expedite the process of developing and implementing an information technology applications portfolio management framework for the proper management of the Agency's software applications.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

106. The finalization of the information technology applications portfolio management framework is pending the onboarding of the new Director of the Information Systems Division.

107. **In paragraph 89, the Board reiterated its previous recommendation that UNRWA expedite the development of a benefit realization plan for the enterprise resource planning project to ensure effective monitoring and the realization of the intended benefits.**

Department responsible:	Department of Administrative Support
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

108. UNRWA has created a benefit realization plan in respect of the implementation of its enterprise resource planning system, which includes actions that can be implemented when certain appropriate conditions arise.

109. One of the objectives of the project was to create a benefit realization plan as a framework for future managerial decisions and actions, related mainly to possible reorganizations. Considering the nature and the complexity of such decisions, their implementation needs thorough consultation with multiple stakeholders in and outside of UNRWA, and, in some cases, additional funding. Hence, UNRWA does not envisage the possibility of immediately implementing the actions described in the benefit realization plan and therefore it is kept for future consideration by its

Management Committee, when and if circumstances allow. UNRWA has requested the Board to review the completed plan, along with other supporting documentation, and consider closing this recommendation.

110. **In paragraph 93, the Board recommended that UNRWA conduct a post-implementation review of the enterprise resource planning project to identify key lessons learned for improvement in future projects.**

Departments responsible:	Department of Administrative Support and Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

111. The Department of Internal Oversight Services is in the process of finalizing the terms of reference for an audit of the enterprise resource planning project, which will address post-implementation review aspects, among other things. The audit is planned for early 2017, subject to the availability of funds.

112. **In paragraph 96, the Board recommended that UNRWA prepare a transition plan to develop the internal capacity needed to manage key technical and application activities.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

113. The Agency's comments are reflected in paragraph 97 of the Board's report (A/71/5/Add.4, chap. II).

114. **In paragraph 102, the Board recommended that UNRWA: (a) expedite the implementation of the e-Health application to all health centres to enable real-time recording of stock consumptions at the level of health centres; and (b) implement the interface between the e-Health application and the enterprise resource planning system to improve the quality of the financial reporting process for inventory.**

Departments responsible:	Department of Administrative Support and Department of Health
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

115. Regarding part (a) of the recommendation, 60 of the Agency's 137 health centres are already implementing the new version of the e-Health application system and the plan is to implement it in more than 90 per cent of the health centres (excluding the Syrian Arab Republic) by early 2017.

116. Consumption of the stock is already embedded within the system and health centres can currently generate an online stock balance sheet for all medicines. In addition, once the mapping from the old to the new stock codes is completed, health centres will be able to utilize the "store demand note" functionality to forecast their medicine orders according to their consumption patterns.

117. The implementation of part (b) of the recommendation is currently delayed owing to other priorities.

118. **In paragraph 105, UNRWA agreed with the Board's recommendation that procedures to define and document the provision and suspension of user access for the enterprise resource planning system be developed, as well as for the creation, change and deletion of roles in the system.**

Department responsible:	Department of Administrative Support
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

119. The Agency's technical instructions on access control policy define and document the procedures for access provision and de-provision for all systems, including the new enterprise resource planning system known as REACH. Specifically for REACH, the user management procedures were documented and rolled out Agency-wide in June 2015.

120. The relevant documentation has been submitted to the Board for its further review and UNRWA has requested the closure of the recommendation.

121. **In paragraph 108, UNRWA agreed with the Board's recommendation that it: (a) acquire information technology tools for monitoring the quality of network service in accordance with technical instruction No. 10; and (b) perform regular monitoring of the quality-of-service metrics to ensure stable network connectivity.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

122. UNRWA is exploring ways to standardize the monitoring of field network connectivity that will support regular reporting on quality-of-service metrics.

Depending on the availability of resources, the needed information technology tools will be procured and used in the field locations.

123. **In paragraph 114, UNRWA agreed with the Board's recommendation that it: (a) develop a comprehensive information security programme; (b) update its information security policy; and (c) develop an information security steering committee and assign accountability to ensure that information security strategies are aligned with and support business objectives.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

124. The UNRWA Information Technology Board, which was established at the end of 2015, will be requested to establish an information security steering committee. UNRWA is also in the process of hiring an information security officer, who will be assigned the mandate to develop a comprehensive information security programme and policy.

125. **In paragraph 119, the Board recommended that UNRWA continue to improve the noted internal control deficiencies by expediting the implementation of the Department of Internal Oversight Services recommendations, especially the high-risk recommendations.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

126. The Department of Internal Oversight Services is revisiting its past audit recommendations and reassessing the previously assigned risk ratings in order to focus on key high-risk areas. Once the reassessment exercise is completed, actions by relevant departments will be required to implement the high-risk recommendations and they will be followed up diligently by the Department.

127. **In paragraph 125, the Board recommended that the Microfinance Department: (a) ensure that verification officers monitor the application controls related to cashier functions and address issues of non-compliance to Department management on a regular basis; (b) reallocate the function of cancelling cash-received vouchers to a person other than the cashier, so as to ensure proper segregation of duties; (c) make sure that full justification for the cancellation reasons are preapproved by the branch manager and documented for future reference; and (d) ensure that full and detailed information and analysis are obtained and made for both client and guarantor.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

128. The Microfinance Department will increase the supervision role of branch managers and the Department of Finance for their reviews of the cashier functions and will continue to conduct training sessions for cashiers. The Microfinance Department is also reviewing the responsibility for the function of cancelling cash-received vouchers to ensure that all cancellations are in accordance with appropriate procedures and duly justified.

129. **In paragraph 126, the Board reiterated its previous recommendation that the Microfinance Department: (a) review and strengthen the loan granting process to ensure that operating manuals and established policies and procedures are followed in filling the loan applications, in order to improve accuracy and consistency; (b) monitor the controls related to cashier functions and address non-compliance issues on a regular basis; (c) ensure proper maintenance of customers' files where all customers' guarantees and related documents are kept and updated; (d) improve project follow-up procedures (supervision and monitoring) to reduce risks of incorrect acceptance of credit decisions and decrease the risk of client default; and (e) ensure adherence to credit terms and conditions before the disbursement of loans.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

130. The Microfinance Department is committed to reducing inaccuracies in the filling of loan application forms by increasing trainings sessions for loan officers and ensuring more close supervision by the area loan supervisors and branch managers.

131. **In paragraph 128, the Microfinance Department agreed with the Board's recommendation that the existing UNRWA user access forms be used to capture access requests in order to facilitate a clear understanding of user access requirements and document formal supervisor/manager approvals of requests for the audit trail and future reference.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

132. User access forms are already in use, with minor amendments, to meet the requirements of the Omni system, and to capture all types of access requests. The access requests with the necessary forms are stored in a database built for this purpose for effective tracking. Any access to the system will follow the existing procedures, with periodic revision and verification by the management of the Microfinance Department.

133. **In paragraph 129, the Microfinance Department agreed with the Board's recommendation that it (a) maintain an audit trail (logs) and monitor the actions of such sensitive user accounts and sign off on a periodic basis by an information security officer or a person with similar responsibilities who is independent from the information technology team; and (b) define and formally document administrator accounts on all levels and the passwords for these administrator accounts must be properly secured and kept with the agency's management, with access to be granted through a formal process.**

Departments responsible:	Department of Administrative Support and Microfinance Department
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

134. The UNRWA information systems domain and network are under the custody of its Information Systems Division, which is in the process of hiring an information security officer who will address the recommendation in consultation with the Microfinance Department.

135. **In paragraph 130, the Microfinance Department agreed with the Board's recommendation that password standards be strengthened on the SQL database for the Omni application so as to conform with best practices by enforcing password complexity, lockout and expiration requirements.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

136. UNRWA is currently in discussions with the vendor of the Omni application system for the necessary corrective actions.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

137. In annex I to its report for the year ended 31 December 2015 (A/71/5/Add.4), the Board provided a summary of the status of implementation of recommendations

for previous financial periods. The overall situation as at August 2016 regarding the 38 recommendations from prior periods, which were assessed as "under implementation" or "not implemented" by the Board of Auditors, is summarized in table 9 below.

Table 9
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	14	4	10	10	–
Department of Education	4	2	2	2	–
Department of Finance	1	1	–	–	–
Department of Health	1	–	1	1	–
Department of Human Resources	3	3	–	–	–
Department of Internal Oversight Services	2	2	–	–	–
Department of Legal Affairs	2	1	1	1	–
Department of Legal Affairs and Department of Finance	1	–	1	1	–
Department of Planning	5	–	5	5	–
Department of Relief and Social Services	3	2	1	1	–
Executive Office	1	–	1	1	–
Executive Office and Department of Finance	1	1	–	–	–
Total	**38**	**16**	**22**	**22**	**–**

Report of the Board for the biennium ended 31 December 2012[x]

138. **In paragraph 62, the Board recommended that UNRWA develop a clear mechanism for monitoring supplier performance during the contract period. This would ensure compliance with regulations and would give management assurance that poor supplier performance was being addressed.**

Department responsible: Department of Administrative Support

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2016

139. The Agency's Contract Management Unit finalized its technical instructions and the InTend system is now in use at UNRWA headquarters. The staff of the Procurement and Logistics Division has been trained on the use of the InTend system. Service contracts have been uploaded onto the system to enable a

[x] A/68/5/Add.3, chap. II.

systematic tracking of supplier's performance against set key performance indicators. Furthermore, according to the roll-out plan, the InTend system will be launched in several field offices by the end of 2016.

140. **In paragraph 82, the Board recommended that UNRWA endeavour to the best of its ability to obtain relevant documents to substantiate the right to use buildings and plots of land.**

Department responsible:	Department of Legal Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

141. UNRWA launched an Agency-wide effort to obtain the relevant documents. All concerned field offices have provided documentation and UNRWA considers that it has exhausted its means to obtain further documentation. The analysis of the available documentation for Jordan and Gaza is complete. For Jordan, documentation has been obtained for one third of the Agency's buildings. UNRWA is still assessing the documentation obtained from Lebanon and the Syrian Arab Republic and expects to be in a position to share analysis and relevant available documentation with the Board by the end of 2016.

142. **In paragraph 96, the Board recommended that UNRWA: (a) formalize its results-based management results review processes in a policy or organizational directive; (b) ensure that the results review process takes place as envisaged, at midyear and on an annual basis; and (c) ensure that measures are implemented to support alternative means of collecting performance data from the Syrian Arab Republic field office, for example, though the Internet.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

143. The Agency's Organizational Directive No. 21 is in the final stage of completion and is under review by the UNRWA Management Committee. This Organizational Directive is also linked to the finalization of the project process manual, which was revised after the implementation of the REACH system in 2015.

Report of the Board for the year ended 31 December 2013[9]

144. **In paragraph 40, the Board recommended that UNRWA undertake a mapping exercise to identify and compile in a single document key internal**

[9] A/69/5/Add.4, chap. II.

controls for its business processes with reference to other documents providing detailed procedures.

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

145. As part of the implementation of the enterprise resource planning system, an internal control assessment was undertaken specifically to address the roles, responsibilities and business functionalities embedded in the system.

146. On the basis of the internal control assessment, the "responsible, accountable, consulted, informed" (RACI) matrix sets out the segregation of duties in the system and assigns accountability to each role and the associated individuals assigned to a particular role for all processes/modules of the REACH system. UNRWA will continue to consult with the Board regarding this recommendation and if required, develop additional documentation to complement the existing control document and RACI matrix.

147. **In paragraph 43, the Board recommended that UNRWA: (a) develop and distribute to employees a risk management policy outlining the underlying approach to risk management and mitigating procedures; and (b) ensure that all important risks that are common to UNRWA are assessed and captured in the risk registers at the field offices, thus enabling the development of common procedures for responding to those risks.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

148. The implementation of part (a) of this recommendation is subject to the finalization of Organizational Directive No. 21, which is currently in the final stage of completion. Part (b) of the recommendation has been assessed as implemented by the Board.

149. **In paragraph 48, the Board recommended that UNRWA conduct a thorough review of the consultant's report and apply the proposed recommendations to improve the operations of the microcredit community support programme without compromising its basic mandate of helping Palestine refugees to achieve their full potential in human development.**

Department responsible:	Department of Relief and Social Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

150. As stated in paragraph 343 of the previous report (A/70/338/Add.1), UNRWA agreed with the recommendation but noted that owing to its financial crisis, a decision was made to suspend funding to the microcredit community support programme until it is aligned with the relief and social services reform criteria for addressing poverty. Owing to the continued suspension of funding to the microcredit community support programme, UNRWA requested the Board to consider this recommendation to have been overtaken by events.

151. **In paragraph 53, the Board recommended that UNRWA: (a) expedite the implementation of a new software system to manage vehicles' workshop operations and record keeping; and (b) enforce the available operational controls of the vehicles' workshop, including proper record-keeping and the completion of job card forms.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

152. The Fleetlog and Fleetwave systems are now in full use in the Jordan, West Bank and Gaza field offices. The Lebanon field office will have Fleetlog operational by 31 December 2016 and Fleetwave by 31 January 2017. Owing to the ongoing conflict in the Syrian Arab Republic, it has not been possible to introduce the new system in the UNRWA field office in the country. Field offices are continuously reminded about the requirement to use the maintenance module, which is an integral part of the Fleetwave system.

153. **In paragraph 63, the Board recommended that UNRWA: (a) include items procured under project funds during the preparation of procurement plans to benefit from economies of scale; and (b) involve the Chief of the Procurement and Logistics Division and logistic officers in the project-level procurement planning at headquarters and in the field to obtain input for the preparation of each procurement plan.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

154. UNRWA now has a mandatory annual procurement planning process, with headquarters and all field offices submitting their annual procurement plans to the Chief of the Procurement and Logistics Division for consolidation and determination of sourcing strategies. Follow-up meetings are held with each field procurement and logistics officer to discuss strategies, as well as identify opportunities and synergies for collaborative/joint procurement, geared towards the realization of savings and economies of scale.

155. **In paragraph 75, the Board recommended that UNRWA: (a) improve coordination between the Procurement and Logistics Division and users at the field offices to ensure that all procurement requirements are identified and communicated to the Procurement and Logistics Division at headquarters on a timely basis, to avoid the unnecessary shortening of tender periods; (b) perform regular reviews of lead times and inventory balances to avoid emergency orders; and (c) review the grounds for waivers to ensure that they are consistent with current good practice.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

156. The Board has recognized the progress made by UNRWA after the implementation of its new enterprise resource planning system. However, the Board noted weaknesses in the Gaza field office and indicated that it would verify the effectiveness of the instituted measures during its next interim audit.

157. **In paragraph 81, the Board recommended that UNRWA: (a) establish a formal evaluation committee to enhance transparency, objectivity and equity in the bid evaluation process; (b) develop a standardized template for declarations of interest by evaluation committee members; and (c) design and document formal appointment letters for evaluation committee members.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Not applicable

158. UNRWA has submitted to the Board its new procurement manual, which provides details on evaluation committees, the appointment of members and declarations of interest.

159. **In paragraph 85, the Board recommended that UNRWA indicate the financial resources required for each strategic objective in the headquarters and field implementation plans for effective results evaluation.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

160. UNRWA provided the Board with its annual operational plan for the Jordan field office, and the Board indicated that this matter would be discussed during its next audit.

161. **In paragraph 93, the Board recommended that UNRWA: (a) establish a mechanism for mobilizing and uploading all vital project documents on the intranet on a regular basis; and (b) review the project process manual and specifically define the project officer responsible for maintaining and archiving all project documents in one location.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

162. The Board assessed part (a) of the recommendation as implemented. With regard to part (b) of the recommendation, the project process manual needed to be revised to reflect the new environment following the implementation of the REACH system. The project process manual is also linked to the new Organizational Directive No. 21, which is currently in the final stage of completion.

163. **In paragraph 108, UNRWA agreed with the Board's recommendation that it: (a) establish steering committees for construction projects as currently required by the project process manual, while waiting for the revised manual; and (b) review the project process manual and provide clear guidance on the establishment of project steering committees, including with regard to the composition of the committees and on the roles and responsibilities of their members, and guidance on the kinds of projects that require a steering committee.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

164. The project process manual containing guidance on project steering committees is being revised and it is linked to the new Organizational Directive No. 21, which is currently in the final stage of completion.

165. **In paragraph 121, the Board recommended that UNRWA review the staff table by performing detailed assessments so as to eliminate redundant posts and identify key posts that need to be filled in a timely manner to enhance the delivery of services to refugees.**

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

166. UNRWA submitted to the Board the report summarizing the outcome of the vacant posts review that was conducted in 2015 and therefore, it considers this recommendation to have been implemented.

167. **In paragraph 130, the Board recommended that UNRWA actively follow up with the Executive Office of the Secretary-General and the power service provider, to find a lasting solution on the settlement of the electricity bills, to avoid the risk of power disconnection in the refugee camps.**

Department responsible:	Department of Legal Affairs
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

168. UNRWA reiterates its previous comment that this issue is not solely within its control to implement. The Board has acknowledged management initiatives and UNRWA considers that it has implemented the recommendation by actively following up with relevant authorities and raising the matter to the highest possible administrative levels. UNRWA requests that the Board close the recommendation.

169. **In paragraph 164, UNRWA agreed with the Board's recommendation that it: (a) develop appropriate procedures for erasing information contained in information and communications technology equipment, taking into consideration the sensitivity of the information being handed over to the disposal authorities; and (b) develop security guidelines based on good practices for protecting critical information on mobile devices.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

170. UNRWA is in the process of recruiting an information security officer who will handle all information security matters. Measures to address the Board's

recommendation will be included in the incumbent's workplan for completion by the end of 2016. The Information Systems Division has also started an agency-wide campaign to raise awareness on data integrity, confidentiality and availability.

171. **In paragraph 170, the Board recommended that UNRWA: (a) through its field and department directors, ensure that investigation cases are recorded in the case management system accurately and on a timely basis; and (b) recruit additional professional investigators who would report directly to the Investigations Division of the Department of Internal Oversight Services and supervise staff involved in investigations at the field offices.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

172. The Board has reviewed the case management system and assessed part (a) of the recommendation as implemented. For part (b) of the recommendation, as previously communicated to the Board, while not all field offices have a dedicated investigator on site, the responsibility to oversee each of the UNRWA field offices is assigned to specific investigators at its headquarters. In addition, the Department of Internal Oversight Services has completed the recruitment process of a professional investigator at the P-4 level to expand its capacity to support the needs in the field offices.

173. **In paragraph 174, UNRWA agreed with the Board's recommendation that it: (a) expedite the finalization of the evaluation framework to guide and support the evaluation functions within UNRWA; and (b) review the current practice of handling evaluation activities at headquarters departments and field offices on an ad hoc basis with a view to improving the evaluation function.**

Department responsible:	Department of Internal Oversight Services
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

174. The framework policy, which addresses the Board's recommendation, was approved by the Commissioner-General of UNRWA and published in May 2016. A copy of the policy was submitted to the Board in August 2016.

Report of the Board for the year ended 31 December 2014[10]

175. **In paragraph 23, the Board recommended that UNRWA: (a) liaise with United Nations Headquarters to obtain confirmation on the approach to be**

[10] A/70/5/Add.4, chap. II.

followed to settle its end-of-service liabilities; and (b) avoid decisions that increase these liabilities while its funding is still uncertain.

Department responsible:	Department of Finance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

176. UNRWA continues to follow up with donors and United Nations legislative bodies in seeking funding to address the growing budget deficit, which in turn will also help the Agency make provision for the end-of-service liabilities. This is done in the context of the reports of the Working Group on the Financing of UNRWA as well as through the Agency's biennium budget submissions.

177. The UNRWA programme budget continues to be 97 per cent funded by voluntary contributions. UNRWA notes that in the past, efforts to have the end-of-service liabilities funded from the United Nations regular budget failed. There was a proposal in 1983 by the Working Group on the Financing of UNRWA that the Agency's contingent liability for termination indemnity to its staff (amounting to $59 million at the time) should UNRWA be forced to close down its operations, be assumed by the United Nations regular budget. However, it was also noted that this represented a financial risk to the United Nations and would be contrary to the principle of voluntary financing for operational activities in the United Nations system.

178. UNRWA is making all efforts to avoid decisions that negatively affect its end-of-service liabilities. This is evidenced by a general salary freeze and limiting salary increases to only a few occupational groups, which has been the practice over the past few years. However, in some exceptional cases, UNRWA management has to make decisions consistent with principles of fairness and equality in the application of polices, especially when compared with other United Nations entities.

179. **In paragraph 31, UNRWA agreed with the recommendation of the Board that it: (a) review its follow-up strategy to improve and strengthen its efforts to collect the long-outstanding VAT arrears; and (b) review the collectability of the receivable and impair the value for amounts considered as uncollectable.**

Departments responsible:	Department of Legal Affairs and Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

180. The Agency's strategy for the recovery of VAT arrears is being led by senior members of the Department of Finance and the Executive Office, and comprise multiple initiatives being discussed with the relevant authority, including settlement to UNRWA and the possibility to offset against the Agency's payables to the

authority. UNRWA is also in the process of revisiting its existing VAT provision policy in the light of the current strategy.

181. **In paragraph 35, the Board recommended that UNRWA develop a mechanism of tracking and quantifying the net savings from austerity measures at all levels of operation and evaluate their effectiveness.**

Departments responsible:	Executive Office and Department of Finance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

182. The austerity measures were instituted as an internal management initiative to manage the rising cash deficit with the donor contributions not being able to match the annual increase in expenditures. It is difficult to quantify savings against each specific measure owing to the time and effort required to track each specific activity. UNRWA was able to generate savings from the following areas: training; and the procurement of calendars, holiday cards, information technology, vehicles and equipment. In addition, all capital expenditures from the programme budget (previously the General Fund) are scrutinized accordingly by the Executive Office. Budgets continue to be tightly constrained and therefore, capital expenditures are restricted almost entirely to the replacement of essential equipment only. Austerity measures continued in 2015 resulting in, among other things, the termination of consultants' contracts, continued reductions in travel and the suspension of capital expenditure.

183. The Department of Internal Oversight Services has completed a study on the impact of austerity measures and its report will be submitted to the Board.

184. **In paragraph 39, UNRWA agreed with the Board's recommendation that it: (a) develop an Agency-wide management information system to harmonize information on the microcredit community support programme for the purpose of decision-making and to enable impact assessment, as well as the aggregation of data in the general financial statements; and (b) expedite the finalization of the memorandum of understanding to make it legally binding.**

Department responsible:	Department of Relief and Social Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

185. The cessation of the indirect lending programme through community-based organizations in the Jordan field office put plans for the potential development of a management information system on hold. The Jordan field office, together with Department of Legal Affairs, has finalized a draft memorandum of understanding and draft by-laws to regulate the Agency's relationship with community-based

organizations. UNRWA cannot award legal status to such organizations since that can only be done by the Government through a registration process, which has been rejected both by the community-based organizations and the Department of Palestinian Affairs in the Palestinian Ministry of Foreign Affairs. The signing of a memorandum of understanding between UNRWA and the community-based organizations is equally not supported by the Department of Palestinian Affairs.

186. Since efforts to regulate the Agency's relationship with community-based organizations through a memorandum of understanding and by-laws have not been successful owing to reasons beyond its control, UNRWA has developed a circular on third-party use of its installations and property in Jordan, which is based on existing Agency-wide guidance. This circular has been sent as a notification to the community-based organizations and other third parties using UNRWA premises to ensure full compliance with the Agency's regulatory framework. Considering all the efforts that UNRWA has made and the fact that it is unlikely that the Department of Palestinian Affairs will change its position, the implementation of part (b) of the recommendation is beyond the Agency's control. In the light of the factors above, UNRWA requests that the Board close this recommendation.

187. **In paragraph 42, UNRWA agreed with the recommendation of the Board that it formally define and document the criteria for issuing additional loans.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

188. The suspension of funds for microcredit community support programme loans excluded the relief and social services programme in Lebanon, as it was already aligned with the programmatic partner objectives and therefore, the revision of the guidelines had already started. UNRWA in Lebanon has faced continuous operational challenges, including sit-ins, demonstrations, incursions and related events. These challenges, in combination with staff focusing on the shift from food to cash assistance, hampered the ability of the field office to fully implement this recommendation. Its implementation is now being aligned with the relief and social services reform at the headquarters level.

189. **In paragraph 55, UNRWA agreed with the Board's recommendation that it: (a) establish mechanisms to allow regular review of engineers' estimates prior to tendering, which will help the Agency to arrive at cost estimates based on the prevailing market price; (b) review the re-tendering trend and establish ways of minimizing it; and (c) facilitate site visits by interested bidders to enable proper evaluation of the scope of work and cost estimates.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

190. The standard operating procedures for UNRWA contracting now include increased frequency of updating the Agency's estimates and an established review committee to validate field offices' estimates prior to each tender. Also, the new procurement manual includes details on negotiation conditions. Quarterly analysis of the in-market basic cost for construction materials will be provided to the Board.

191. **In paragraph 56, UNRWA also agreed with the recommendation of the Board that it: (a) ensure that all service contracts are signed before service delivery to make them legally binding; and (b) conduct performance evaluations of previous services rendered before extending service contracts.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

192. UNRWA has taken steps to ensure that future service contracts or extensions thereof are signed before service delivery and performance evaluations on any previous service are conducted before any extensions.

193. **In paragraph 60, UNRWA agreed with the recommendation of the Board that it: (a) expedite the review of its standards operation procedures to facilitate generation of the consolidated procurement plan and ensure that plans are approved by existing procurement committees before implementation; and (b) improve the preparation of procurement plans at the field offices to include key elements for evaluation and accountability.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

194. UNRWA submitted to the Board its consolidated procurement plan for the year 2016, thus demonstrating that procurement planning is now a mandatory requirement. Furthermore, the Board has acknowledged that UNRWA has established standard operating procedures for procurement planning and a framework for the generation of a consolidated procurement plan.

195. **In paragraph 63, UNRWA agreed with the recommendation of the Board that it: (a) establish a dedicated contracts management desk office within UNRWA that will act as a coordinator for the Agency's contractual relationships; (b) create an effective relationship between the management and suppliers and maintain regular communication with suppliers; and (c) consider the inclusion of a liquidated damages clause in the contracts relating to medicines and medical supplies to enforce the compliance of suppliers.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

196. With regard to part (a) of the recommendation, UNRWA has established the Contract Management Unit, whose formal structure is undergoing final approvals. Regarding part (b) of the recommendation, UNRWA has finalized its quality assurance policy for pharmaceuticals and has established a significant number of strategic long-term agreements in the effort to create supply chains that effectively deliver to the Agency. Regarding part (c) of the recommendation, a clause on liquidated damages has now been included in the Agency's general conditions that are attached to all agreements and purchase orders.

197. **In paragraph 67, UNRWA agreed with the recommendation of the Board that it: (a) expedite the construction of one school, namely the fully green school, for the consolidation of three schools presently being operated in rented buildings; (b) consider developing long-term plans for the replacement of schools operated in rented buildings and short-term solutions for equipping the rented schools; and (c) given the limited resources of the Agency, continue with efforts to mobilize funds to meet the costs of land and construction.**

Department responsible:	Department of Education
Status:	Closure requested
Priority:	High
Target date:	Not applicable

198. The Jordan field office prepared an action plan and a summary of infrastructure needs for rented schools and health centres in a bid to alleviate the challenges of operating its services from rented premises. These actions indicate the Agency's efforts to address this recommendation under current financial difficulties. Construction is currently on hold owing to funding constraints. UNRWA requests that the Board consider closing this recommendation.

199. **In paragraph 68, the Board recommended that UNRWA: (a) allocate learning resource rooms in existing schools to enhance implementation of special educational needs programmes; and (b) mobilize sufficient resources to**

renovate existing school buildings to allow easy access for students with mobility problems.

Department responsible:	Department of Education
Status:	Closure requested
Priority:	High
Target date:	Not applicable

200. For part (a) of the recommendation, UNRWA is committed to providing inclusive education that gives all eligible Palestinian refugees access to its schools. In this regard, UNRWA is making provisions in all new school designs for learning resource centres and counselling rooms. Furthermore, UNRWA has received funding from a donor to employ the services of an architect, who will be tasked with, among other duties, reviewing all school buildings that are currently used by the Agency. Decisions will then be made on whether funding and space is available to action any or all of the recommendations that will result from the review. Regarding part (b) of the recommendation, UNRWA plans to solicit donor funds so that renovations can be done to cater for students with mobility problems. The implementation of this recommendation is subject to the availability of resources and it has been suspended owing to the Agency's financial difficulties. UNRWA requests that the Board consider closing this recommendation.

201. **In paragraph 70, UNRWA agreed with the recommendation of the Board that it: (a) ensure that field offices expedite the recruitment process of the vacant posts within the new structure and coordinate with the education department at UNRWA headquarters on matters requiring headquarters decisions; and (b) expedite the finalization of the draft governance framework to support the implementation of the education reform strategy.**

Department responsible:	Department of Education
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

202. The recruitment for vacant posts is in progress. The governance framework to support the reform implementation is approximately 75 per cent completed. All policies associated with the reform have been developed and are now applicable Agency-wide.

203. The fundamental policies, principles and practices of the reform have been integrated into the medium-term strategy for 2016-2020. Agency-wide norms and standards, which will govern the resource allocation for education staff and reflect the new structures, have been finalized and are being implemented.

204. **In paragraph 71, the Board recommended that UNRWA establish acceptable strategies to avoid Agency-wide effects resulting from the actions of**

the area staff union on the implementation of the teacher coordinators pilot project at other field offices.

Department responsible:	Department of Education
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

205. The feasibility of the pilot project is still under review given the Agency's financial constraints. A key goal of the Agency's strategy for 2016 was to improve communication on all matters between the UNRWA senior management and the area staff union.

206. **In paragraph 76, UNRWA agreed with the recommendation of the Board that it: (a) explore the possibility of entering into long-term agreements with local suppliers that offer competitive prices and meet the required specifications; (b) expedite the installation of new cold rooms to provide enough space for drugs that need to be stored at temperatures below 8 degrees centigrade; and (c) dispose of the expired drugs to create additional storage space and, in the intervening period, allocate temporary storage space to provide adequate drug storage facilities.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

207. The Board assessed parts (b) and (c) of the recommendation as implemented. For part (a) of the recommendation, an assessment exercise was finalized under the supervision of the Director of the Department of Health and Chief of the Procurement and Logistics Division. Following the assessment, 19 new suppliers (both local and international) were awarded long-term agreements offering competitive prices and new shipments of medicines. On the basis of the actions taken as described above, UNRWA considers this recommendation to have been fully implemented.

208. **In paragraph 80, UNRWA agreed with the recommendation of the Board that it develop and implement procedures to facilitate quality control tests of essential medicines and medical supplies at the Lebanon field office.**

Department responsible:	Department of Administrative Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

209. UNRWA has an approved quality assurance policy for pharmaceutical products that is applied across all field offices. The policy is based on the World Health Organization medicines quality assurance programme and is in line with the policies of other United Nations agencies for the procurement of medicines.

210. On the basis of this policy, quality controls by UNRWA are implemented at several stages of the procurement and supply chain. Heavy emphasis is made by UNRWA at the pre-selection stage of vendors to ensure that quality concerns are addressed at the beginning of the supply chain.

211. UNRWA considers this recommendation to have been implemented, as it has rolled out a quality assurance policy that is applied Agency-wide.

212. **In paragraph 81, the Board recommended that UNRWA identify appropriate means and areas for waste disposal and consider the inclusion of waste management in the annual budget as a priority to facilitate the establishment of disposal facilities at the health centres.**

Department responsible:	Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

213. A medical waste disposal plan is included in the UNRWA environmental health strategy and is only funded for inventory, staff and equipment. The Department of Health is preparing a plan with cost estimates in order to seek the required funding.

214. **In paragraph 87, the Board reiterated its previous audit recommendation that UNRWA expedite the planned initiatives to reduce the length of the recruitment process by improving coordination within the hiring departments.**

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

215. UNRWA shared with the Board the weekly communication on recruitment status updates and follow-ups with the concerned departments as well as system-generated recruitment reports showing the time spent in the recruitment process. UNRWA considers this recommendation to have been implemented.

216. **In paragraph 90, UNRWA agreed with the recommendation of the Board that it comply with staff selection policies and, that, where there is an exceptional case beyond the Agency's control, it document the reasons for extension to support its decision.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

217. UNRWA reiterates that no extension was granted that required special approval and staff selection policies were complied with. UNRWA requests that the Board close this recommendation.

218. **In paragraph 93, UNRWA agreed with the recommendation of the Board that it: (a) review the back-up policy and procedures for user access to reflect the new requirements of the enterprise resource planning system; (b) expedite the customization of the service desk express application to accommodate the handling of incidents arising from the implementation of the new system and train service desk staff accordingly before the system becomes fully operational; and (c) develop project closure plans for the system to ensure its smooth transition from the project to the operational stage.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

219. The implementation of this recommendation is in progress pending assessment of the policy for back-up facilities at Brindisi, Italy, or Valencia, Spain, for the enterprise resource planning system within the consolidated Agency-wide policy. Procedures for new users in the enterprise resource planning system have been submitted to the Board for its review.

220. **In paragraph 96, UNRWA agreed with the recommendation of the Board that it: (a) review the information security policy to cover the security posed by mobile devices; and (b) develop mobile device security guidelines and create awareness among users.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

221. UNRWA is in the process of hiring an information security officer who will be assigned the mandate to develop a comprehensive information security programme and policy, including that for mobile devices.

V. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[11]

222. Tables 10 and 11 below summarize the status of implementation of recommendations as at September 2016.

Table 10
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Decentralized Cooperation Programme	1	–	–	1	1	–
Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Office of the Executive Director	1	–	–	1	1	–
Operations Unit	1	–	–	1	1	–
Planning, Performance and Results Section	1	–	–	1	1	–
Total	**5**	–	–	**5**	**5**	–
Percentage	**100**	–	–	**100**		

Table 11
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Decentralized Cooperation Programme	1	–	–	1	1	–
Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Office of the Executive Director	1	–	–	1	1	–
Operations Unit	4	–	1	3	3	–
Planning, Performance and Results Section	1	–	–	1	1	–
Total	**8**	–	**1**	**7**	**7**	–
Percentage	**100**	–	**13**	**87**		

223. **In paragraph 20, the Board recommended that the United Nations Secretariat consult the Office of Legal Affairs to confirm that the delegations made by the Controller are in conformity with the requirements of the UNITAR statute and the Financial Regulations and Rules of the United Nations.**

[11] A/71/5/Add.5, chap. II.

Department responsible:	Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

224. The Department of Management of the United Nations Secretariat will consult the Office of Legal Affairs to confirm that the delegations of authority made by the Controller are in conformity with the requirements of the UNITAR statute and the Financial Regulations and Rules of the United Nations.

225. **In paragraph 24, the Board recommended that UNITAR review its closure processes to enable the timely production of financial statements and to ensure the maintenance of appropriate audit trails in support of its accounting records, transactions and balances.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

226. UNITAR is reviewing its accounts closure processes, the timetable for the production of financial statements and the composition of audit files. These measures are being coordinated with the Accounts Division in the Department of Management of the United Nations Secretariat to ensure that the deadlines for production and clearance of the financial statements are met.

227. **In paragraph 26, the Board recommended that UNITAR prepare either an investment strategy or consider the extent to which the United Nations Development Programme (UNDP) investment strategies are in line with the requirements of the Board of Trustees.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

228. UNITAR is establishing an investment strategy following the migration to Atlas. A draft of the strategy will be submitted to the UNITAR Board of Trustees in November 2016 for review and approval.

229. **In paragraph 30, the Board recommended that UNITAR perform cash forecasting to identify funds that could be placed in investments with longer maturities, maximizing the potential for higher investment returns.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

230. UNITAR has developed a regular cash forecast report that is submitted to UNDP as well as a quarterly review process with the aim of improving the return on the UNITAR investment portfolio. UNDP has started to invest in instruments with longer maturities and higher returns.

231. **In paragraph 36, the Board recommended that UNITAR review the operation of the revised guidelines of the network of International Training Centres for Authorities and Leaders (CIFAL) to ensure their consistent application and to assess whether there is a need for revision in the light of the practice being established. The Board further recommended that UNITAR demonstrate that the CIFAL affiliation fees achieve full cost recovery associated with management of the network.**

Department responsible:	Decentralized Cooperation Programme
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

232. UNITAR agrees with the need to ensure rigorous application of internal guidelines around the operation of CIFAL-affiliated centres, including in the collection of fees. UNITAR is reviewing the guidelines, operation and fees, and the results will be presented at the upcoming CIFAL conference.

233. **In paragraph 41, the Board recommended that UNITAR develop a standard format for reporting project budgets, including details on variances from forecast levels of expense.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

234. UNITAR is reviewing its current project budgeting guidance to identify where changes can be made to standardize project budgeting.

235. **In paragraph 45, the Board recommended that UNITAR establish an entity-level risk register to identify and manage risks outside the scope of its current project risk management.**

Department responsible:	Planning Performance and Results Section
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

236. UNITAR engages in risk management at the project level, as well as when preparing strategic frameworks and programme budgets. Also, it considers risk management practices in the opening of new offices and physical locations. Building on its experiences, UNITAR is working to further strengthen its risk management policies and practices.

237. **In paragraph 53, the Board recommended that UNITAR review the existing integrity and ethics oversight policy and establish processes to undertake a fraud risk assessment as well as a more systematic approach to providing training to staff on fraud awareness and fraud reporting processes.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

238. UNITAR recognizes the importance of risk management and engages in such exercises at the project level, as well as when preparing strategic frameworks, programme budgets and considering the possibility of opening new offices and physical locations. UNITAR also adheres to the risk assessment scheme of the Department of Safety and Security of the United Nations Secretariat in connection with official duty travel in which travel authorization is given only once the risk level of the destination is specified by the traveller and communicated to the Department. All staff are also required to take introductory and advanced safety in the field training prior to missions. Building on its experiences, UNITAR will work to further strengthen its risk management policies and practices.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

239. In the annex to its report for the year ended 31 December 2015 (A/71/5/Add.5, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 11 recommendations listed as outstanding from prior periods.

240. The following table summarizes the overall situation as at September 2016.

Table 12

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	–	1	1	–
Operations Unit	7	–	1	6	6	
Operations Unit and Department of Management (United Nations Secretariat)	3	–	3	–	–	–
Total	**11**	–	**4**	**7**	**7**	–

Report of the Board for the biennium ended 31 December 2011[12]

241. **In paragraph 22, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, disclose the information about the programme support income, including the definition, the scope and the calculation methodology, in the notes to the financial statements to enable users to better understand the financial statements.**

Departments responsible:	Operations Unit and Department of Management (United Nations Secretariat)
Status:	Implemented
Priority:	High
Target date:	Not applicable

242. UNITAR has included information on the definition and percentages of programme support income in the 2015 financial report on its accounts, which is an integral part of the published financial statements. Attention is also drawn to the disclosures under the summary of significant accounting policies related to programmes support costs and related revenue. The Administration considers that the disclosures contained in the financial report along with those in the summary of significant accounting policies provide adequate information.

243. **In paragraph 28, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, clearly articulate the definition, scope and percentage of programme support cost and administrative cost in order to increase the transparency and comprehensibility of the financial statements.**

[12] A/67/5 Add.4, chap. II

Departments responsible:	Operations Unit and Department of Management (United Nations Secretariat)
Status:	Implemented
Priority:	High
Target date:	Not applicable

244. Refer to the comments above relating to the recommendation in paragraph 22 of the Board's report for the biennium ended 31 December 2011.

Report of the Board for the biennium ended 31 December 2013[13]

245. **In paragraph 11, the Board recommended that UNITAR, in collaboration with the Office for Internal Oversight Services (OIOS), urgently resolve the issues of funding and service cost and establish appropriate internal audit coverage.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

246. The UNITAR Board of Trustees has welcomed the services provided by OIOS. In late 2015, OIOS performed the planned audit of the project management of the Institute. UNITAR will address budgetary needs for internal and external audit coverage in its proposed programme budget for 2016-2017 for consideration by its Board of Trustees.

247. **In paragraph 34, the Board recommended that UNITAR consult with donors before disposing of the surplus of completed projects and use the funds of the ongoing projects in compliance with the requirements of the letter of agreement.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

248. UNITAR ensures that the surplus funds from completed projects are disposed of in accordance with contractual arrangements agreed with donors. The review and closure of operationally completed projects is ongoing. UNITAR also continues to review the project closure process in order to improve it.

[13] A/69/5/Add.5, chap. II

249. **In paragraph 37, the Board recommended that UNITAR comply with the requirements of the letters of agreement to submit financial reports to donors in a timely manner.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

250. UNITAR has revised its internal controls in order to ensure that financial reports are submitted to donors in a timely manner, as specified in letters of agreement. The UNITAR project tracking tool for the management of agreements signed with donors has been enhanced and the reporting reminders system has been rolled out to improve control over donor reporting obligations.

Report of the Board for the year ended 31 December 2014[14]

251. **In paragraph 15, the Board recommended that UNITAR review and strengthen its processes of preparation of financial statements, including the timely collection of all information and its inclusion in the accounts.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

252. UNITAR is coordinating closely with the Office of the Controller in the Department of Management of the United Nations Secretariat to strengthen the processes of preparation of financial statements, including the timely collection of information.

253. **In paragraph 20, the Board recommended that: (a) the accounting policy applicable to UNITAR for expensing advances to implementing partners below $30,000 be explicitly reflected in the note disclosure; and (b) the total value of advances made during the year that are below the threshold limit be disclosed in the notes to the financial statements.**

Departments responsible:	Operations Unit and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

[14] A/70/5/Add.5, chap. II

254. In accordance with the United Nations Policy Framework for IPSAS, advances of up to $30,000 qualify to be considered as transfers to end beneficiaries and are therefore expensed immediately. Cases in which the transfers to implementing partners up to $30,000 were expensed at the time of issue of the advances and not recognized as an asset to be expensed later comply with the established accounting policy. UNITAR will make appropriate updates to the summary of significant accounting policies in the 2016 financial statements in order to address the Board's concern in this regard.

255. **In paragraph 23, the Board recommended that a proper system for timely reconciliation of the UNDP Project Clearing Account be put in place so that any discrepancy in the account can be addressed before the finalization of the financial statements.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

256. UNDP released a new online account reconciliation system in early 2016, and the reconciliation of both the UNDP Project Clearing Account and the UNDP Service Clearing Account was finalized and agreed with UNDP during the second quarter of 2016.

257. **In paragraph 28, the Board recommended that a system be put in place to ensure the timely financial closure of projects.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

258. Refer to the comments above relating to the recommendation in paragraph 34 of the Board's report for the biennium ended 31 December 2013.

259. **In paragraph 32, the Board recommended that all financial reports be finalized in a time-bound manner.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

260. Refer to the comments above relating to the recommendation in paragraph 37 of the Board's report for the biennium ended 2013.

261. **In paragraph 36, the Board recommended that a mechanism be instituted to monitor and settle refunds due to donors.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Second quarter of 2017

262. Refer to the comments above relating to the recommendation in paragraph 34 of the Board's report for the biennium ended 2013.

VI. Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[15]

263. Tables 13 and 14 below summarize the status of implementation of recommendations as at September 2016.

Table 13
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of Operations	3	–	1	2	2	–
Office of Operations and UNEP divisions	1	–	–	1	1	–
Total	**4**	–	**1**	**3**	**3**	–
Percentage	**100**	–	**25**	**75**		

Table 14
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of Operations	8	–	3	5	4	1
Office of Operations and Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Office of Operations and UNEP divisions	3	–	1	2	2	–

[15] A/71/5/Add.7, chap. II

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of Operations and United Nations Office at Nairobi	2	–	–	2	2	–
Total	**14**	**–**	**4**	**10**	**9**	**1**
Percentage	**100**	**–**	**29**	**71**		

264. **In paragraph 23, the Board recommended that UNEP strengthen the review of the accounts during and after the production of the financial statements to enhance the timely detection of errors and omissions.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

265. The migration from the Integrated Management Information System (IMIS) to Umoja on 1 June 2015 meant that the preparation of the 2015 financial statements had to be compiled from two systems. It was a complex and challenging process to integrate and harmonize financial data from IMIS and Umoja. The resulting delays were anticipated by United Nations Headquarters, which extended the submission deadline from 31 March to 31 May 2016. Despite these challenges, the review by UNEP of the 2015 financial statements was thorough and included the identification of errors, which were corrected during the audit. UNEP will build on this experience to further improve and strengthen the capacity to review the financial statements in order to enhance the timely detection and correction of errors and omissions during the preparation of its 2016 financial statements.

266. **In paragraph 27, the Board recommended that UNEP prepare an IPSAS benefits realization plan to ensure effective monitoring and realization of the intended benefits.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Ongoing

267. The tracking and reporting of IPSAS benefits realization is a United Nations Secretariat-wide initiative for which United Nations Headquarters collects qualitative and quantitative benefits, including best practices, stewardship, cost information, comparability and transparency. UNEP subscribes to this reporting by providing information in the required database format every quarter to the IPSAS Steering Committee at United Nations Headquarters. This reporting tool has been

specifically tailored to support benefits realization efforts across all Secretariat entities, including UNEP.

268. **In paragraph 29, the Board recommended that UNEP, in collaboration with the United Nations Office at Nairobi: (a) establish a service level agreement with the support desk for Umoja support service and ensure that the performance of the support desk is reviewed regularly; (b) maintain liaison with Headquarters to ensure that the established task force thoroughly reviews and fixes the configurations and bugs related to the travel and human resources modules of Umoja and performs adequate test runs to confirm that the problems have been corrected; and (c) put controls in place to ensure that the ledger entry description field is mandatory and emphasize that users should enter full descriptions in the ledger.**

Departments responsible:	Office of Operations and United Nations Office at Nairobi
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

269. With regard to part (a) of the recommendation, UNEP has established a new Umoja support desk. In addition, a service level agreement will be considered as part of a global service delivery review. For parts (b) and (c) of the recommendation, the United Nations Office at Nairobi has been working closely with United Nations Headquarters and most of the problems identified have been corrected.

270. **In paragraph 33, the Board recommended that UNEP enhance its follow-up on project closure, including the setting-up of controls over the timely submission of final expenditure reports to expedite their closure so that projects are financially closed within 24 months after being operationally closed.**

Departments responsible:	Office of Operations and UNEP divisions
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

271. The revised programme manual provides procedural guidance and timelines for the financial closure of projects, which should not be more than 12 months after the date of operational completion. The UNEP Quality Assurance Section monitors the closure of projects on a biannual basis and communicates the findings to senior management in the divisions and at the corporate level. In this regard, as was the case for 2015, all implementing partners will again be requested to accelerate their 2016 expenditure reporting to mid-January 2017 to enable the expenditures to be recorded prior to the year-end Umoja closure.

272. **In paragraph 38, the Board recommended that UNEP ensure that a project extension is granted after the revised project document has been approved by the Project Review Committee of the Office of Operations.**

Department responsible:	Office of Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

273. The recommendation was based on the absence of approval by the Project Review Committee for extension of the Strategic Approach to International Chemicals Management (SAICM) project beyond November 2013 while expenditures continued to be incurred. As explained by UNEP to the Board, this was an oversight resulting from changes in the management of the project. However, as remedial action, a project preparation phase for the next SAICM was approved in February 2016. The old project, with an end date of November 2013, is now operationally closed, with actions under way for its financial closure. The new Delegation of Authority Policy and Framework, which was approved in May 2016, grants approval of project extension to Division/Regional Directors, with the clearance role held in the Office of Operations.

274. **In paragraph 42, the Board recommended that UNEP: (a) enhance training for project managers on the analysis of technical project information in order to improve the quality of project documents; and (b) enhance supervision during project formulation and revision with a view to accelerating the approval of project documents.**

Departments responsible:	Office of Operations and UNEP divisions
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

275. UNEP has instituted measures to enforce the requirement of the programme manual that the maximum period between project preparation and final approval should not exceed 82 working days. The newly instituted procedures include enhanced capacity development, systematic follow-up and projects accepted for the deliberations of the Project Review Committee when proponents are available for discussion within 10 working days of the submission date. The measures have significantly reduced the time for processing project proposals from submission to approval from an average of 91 days in 2015 to 49.7 days in the period from January to September 2016.

276. **In paragraph 46, the Board recommended that UNEP: (a) strengthen the provision of technical and oversight knowledge to the implementing agencies on project development to facilitate the timely submission of project identification forms to the Chief Executive Officer of the Global Environment Facility (GEF);**

and (b) monitor the amount of time required for the preparation of projects and take immediate corrective measures in consultation with the implementing agencies.

Department responsible:	Office of Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

277. UNEP notes that there are regular and comprehensive follow-ups on overdue project development by senior management, for which detailed tracking sheets are maintained. All overdue projects reviewed by the Board have subsequently been cleared through submissions to the GEF secretariat or, in one case, by requesting consideration of force majeure provisions.

278. **In paragraph 52, the Board recommended that UNEP ensure sufficient controls over the preparation and submission of required project reports by implementing agencies in compliance with the project cooperation agreements.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

279. UNEP notes that regular follow-up continues to be made by project managers and fund management officers to ensure the timely receipt of project reports. To support these efforts, a new tool to assist in the tracking and follow-up of outstanding reports on GEF-funded projects is under development and is expected to be implemented by the end of 2016.

280. **In paragraph 56, the Board recommended that UNEP-GEF: (a) make more effort and follow-ups to ensure that expenditure reports are submitted within the agreed time frames under the signed agreements; and (b) consider the write-off of receivables with respect to which expenditure reports cannot be retrieved and the recoverability of advances has proved to be uncertain.**

Departments responsible:	Office of Operations and UNEP divisions
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

281. For part (a) of the recommendation, refer to the comments above relating to the recommendation in paragraph 52 of the Board's report for the year ended 31 December 2015. Regarding part (b) of the recommendation, UNEP notes that it

is a matter of priority to follow up on delayed expenditure reports. UNEP will review and recommend for write-off of long-outstanding receivables where all means to receive expenditure reports have been exhausted, provided it can be shown that the outputs for which the advances were made have been fully realized. UNEP plans to continue cleaning up the old balances that were not cleared prior to Umoja conversion.

282. **In paragraph 61, the Board recommended that UNEP expedite the updating of the programme manual to include more details about developing and managing projects, establishing partnership agreements and securing funds, in order to provide operational guidance on putting results-based management into practice.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

283. Results-based management is a guiding principle and business model in UNEP, starting from strategic planning through monitoring, performance assessment and evaluation. UNEP is updating its programme manual to include much more detail and operational guidance on project design, review and approval, project cycle management, resource mobilization and partnerships. The manual is due for completion during the fourth quarter of 2016.

284. **In paragraph 67, UNEP agreed with the Board's recommendation that it review the residual value and the useful lives of all assets, and ensure that the asset register is updated to reflect the restated figures after Headquarters has completed the analysis of property, plant and equipment.**

Departments responsible:	Office of Operations and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

285. The accounting for property, plant and equipment in the financial statements is in compliance with the 2015 year-end instructions from the Department of Management of the United Nations Secretariat, which required a write back of 10 per cent on fully depreciated assets that are still in use. The Department plans to carry out a comprehensive analysis of property, plant and equipment that require revaluation and, upon receipt of implementation instructions thereof, UNEP will update its asset register accordingly.

286. **In paragraph 70, UNEP agreed with the Board's recommendation that it: (a) expedite follow-up procedures to permit the early identification of donor**

contributions for timely revenue recognition; and (b) work closely with the Accounts Section of the United Nations Office at Nairobi to ensure collaboration in addressing early bottlenecks and technical challenges and regular reconciliation between the Section and the resource mobilization team.

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

287. UNEP effectively continued to work on the 2015 unapplied deposit balance of $4.7 million and successfully applied more than 47 per cent as at 30 June 2016, leaving a balance that is less than 1 per cent of total annual income. UNEP continues to speed up the identification and application of funds by: (a) systematically implementing its policy and procedures for unapplied and unidentified deposits; and (b) closely working with the United Nations Office at Nairobi to address any bottlenecks and technical challenges on a timely basis.

288. **In paragraph 75, the Board recommended that UNEP again bring the matter to the attention of the Executive Committee of the Multilateral Fund for its consideration.**

Department responsible:	Office of Operations
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

289. UNEP notes that this is a recurring recommendation that has been raised in previous years and was deemed to have been closed by the Board. While the Executive Committee of the Multilateral Fund agrees with IPSAS on allowance for doubtful accounts being provided for long-outstanding receivables, it does not approve writing off any obligations due from parties irrespective of the prospects of collectability. Therefore, all receivables are required to be maintained in the accounts and collection is to be pursued through discussions and negotiations at meetings of the parties. Provisions have been made against the Fund's old outstanding contributions receivable in accordance with the IPSAS guidelines, including 100 per cent provision where deemed appropriate, and, accordingly, the write-offs recommended would have no impact on the fund balance.

290. **In paragraph 80, UNEP agreed with the Board's recommendation that it: (a) enhance follow-up with staff who have outstanding advances for clearance; and (b) ensure regular reconciliation between the department receiving goods and the accounts function to enhance the accuracy of reported advances.**

Departments responsible:	Office of Operations and United Nations Office at Nairobi
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

291. UNEP and the United Nations Office at Nairobi will continue to work towards clearing the outstanding balances, in particular those relating to conference paymasters and travel advances.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

292. In the annex to its report for the year ended 31 December 2015 (A/71/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the nine recommendations shown as "under implementation" in the annex.

293. The following table summarizes the overall situation as at September 2016.

Table 15
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of Operations	7	–	2	5	5	–
Office of Operations and Department of Management (United Nations Secretariat)	1	–	–	1	1	–
Office of Operations/Evaluation Office	1	–	–	1	1	–
Total	**9**	–	**2**	**7**	**7**	–

Report of the Board for the year ended 31 December 2014[16]

294. **In paragraph 26, UNEP agreed with the Board's recommendation that it: (a) formulate appropriate rules or guidelines to require fund management officers to create the sub-accounts information in the Programme Information Management System (PIMS) whenever initiating projects; and (b) review and monitor the accuracy of PIMS data in the future.**

[16] A/70/5/Add.7, chap. II

Department responsible:	Office of Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

295. UNEP has now issued guidelines for initiating projects in Umoja, which have been disseminated to fund management officers in the UNEP divisions. Project structures in Umoja are being aligned by fund management officers in accordance with the issued guidelines. The UNEP business requirements for programmatic and financial reports are under implementation by the Umoja business intelligence teams for the generation of reports through the SAP HANA system. Sub-accounts in PIMS are no longer relevant since the replacement of IMIS by Umoja in June 2015. The current structure of projects in Umoja satisfies this requirement through the work breakdown structures.

296. **In paragraph 30, UNEP agreed with the Board's recommendation that it include in the proposed new version of PIMS all key project processes and ensure that consolidated reports are provided and there is improvement in the capacity for the inclusion of all key project processes.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

297. UNEP is currently developing project processes, including the planning and evaluation modules, which will be released by the end of 2017.

298. **In paragraph 36, UNEP agreed with the Board's recommendation that it review its programme manual by including clear procedures and authority for project cancellations.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

299. Standard operating procedures for project cancellations are included in the new programme manual, which will be launched by the end of 2016.

300. **In paragraph 40, UNEP agreed with the Board's recommendation that it revise its programme manual to include procedures required for handling emergency approvals.**

Department responsible:	Office of Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

301. There is a special process for emergency situations already in place where project approvals are "fast-tracked" to avoid the loss of donor funding. This is also reflected and reinforced in the new programme manual.

302. **In paragraph 45, UNEP agreed with the Board's recommendation that it look at ways of ensuring that the Evaluation Office is provided with adequate resources to initiate and manage independent project-level evaluations to the required level, and that project closure time frames are adhered to.**

Departments responsible:	Office of Operations and Evaluation Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

303. The UNEP programme manual has been updated in terms of procedures to ensure that all projects approved since 2014 have adequate budgets for evaluations and that evaluations are conducted within the required time frame. This is reflected and reinforced in the new programme manual.

304. **In paragraph 49, UNEP agreed with the Board's recommendation that it: (a) enhance the assessment of the implementing partners to ensure that they have the ability to deliver projects; and (b) plan and monitor the implementation of projects more closely.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

305. Concerning part (a) of the recommendation, under the UNEP partnership policy adopted in October 2011, the ability of implementing partners to carry out the required interventions, together with their financial standing, is assessed. Screening under the due diligence procedures is also applied on for-profit government agencies to avoid any incompatibility with the organization's principles of integrity, impartiality and independence. Regarding part (b) of the recommendation, guidance for planning and monitoring of the implementation of projects is reflected and reinforced in the new programme manual.

306. **In paragraph 54, UNEP agreed with the Board's recommendation that it ensure that expenditure reports are obtained from all implementing partners to**

offset advances and that inter-office vouchers are reconciled immediately with United Nations agencies.

Department responsible:	Office of Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

307. Concerted efforts by UNEP to expedite the receipt of expenditure reports from project implementing partners are an ongoing process. The planning and monitoring of the implementation of projects is being strengthened and clear guidelines are provided in the new programme manual. As was the case for 2015, all implementing partners will again be requested to accelerate their 2016 expenditure reporting to mid-January 2017 to enable the expenditures to be recorded prior to the year-end Umoja closure.

308. **In paragraph 58, the Board recommended that the UNEP-GEF strengthen procedures for the follow-up of expenditure reports from implementing partners, including the sending of regular reminders on timely submission of expenditure reports to facilitate the timely financial closure of projects.**

Department responsible:	Office of Operations
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

309. Refer to the comments above relating to the recommendation in paragraph 54 of the Board's report for the year ended 31 December 2014.

Report of the Board for the biennium ended 31 December 2011[17]

310. **In paragraph 69, the Board reiterated its previous recommendation that UNEP set up a specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly. The Board recognized that UNEP would need to seek guidance from United Nations Headquarters on this matter.**

Departments responsible:	Office of Operations and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

[17] A/67/5/Add.6, chap. II

311. UNEP is coordinating with the Department of Management of the United Nations Secretariat to implement this recommendation.

VII. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[18]

312. Tables 16 and 17 below summarize the status of implementation of recommendations as at September 2016.

Table 16
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	3	–	–	3	3	–
Total	**3**	–	–	**3**	**3**	–
Percentage	**100**	–	–	**100**		

Table 17
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	6	–	–	6	6	–
Programme Division	1	–	–	1	1	–
United Nations Office at Nairobi	1	–	–	1	1	–
Urban Economy Branch	1	–	–	1	1	–
Total	**9**	–	–	**9**	**9**	–
Percentage	**100**	–	–	**100**		

313. **In paragraph 12, the United Nations Human Settlements Programme (UN-Habitat) agreed with the Board's recommendation to develop an IPSAS benefit realization plan, in coordination with the United Nations Secretariat to ensure effective monitoring and realization of the intended benefits.**

[18] A/71/5/Add.9, chap. II

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

314. The United Nations Secretariat is primarily responsible for reporting on IPSAS benefits realization. UN-Habitat will, in coordination with the United Nations Secretariat and the United Nations Office at Nairobi, develop a benefits realization plan that is particular to UN-Habitat.

315. **In paragraph 18, UN-Habitat agreed with the Board's recommendation to explore opportunities with existing and potential donors by actively raising awareness so as to reverse the declining trends in its resources.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

316. UN-Habitat will continue to look for new opportunities to expand relations with existing donors and approach new ones under its current resource mobilization strategy.

317. **In paragraph 25, UN-Habitat agreed with the Board's recommendation to (a) follow up with the housing foundation to recover the outstanding loan amount; and (b) enhance the screening and monitoring mechanisms for the loan portfolio.**

Department responsible:	Urban Economy Branch
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

318. UN-Habitat is following up to recover the remaining balances. Meanwhile, UN-Habitat discontinued its experimental reimbursable seeding operations loan programme and will strengthen the monitoring of the existing loans portfolio.

319. **In paragraph 31, UN-Habitat agreed with the Board's recommendation to improve its process of financial statements preparation to comply with the applicable financial reporting framework and ensure that material line items on the face of financial statements are supported by corresponding notes.**

Department responsible:	United Nations Office at Nairobi
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

320. UN-Habitat is coordinating with the United Nations Office at Nairobi to implement this recommendation.

321. **In paragraph 36, UN-Habitat agreed with the Board's recommendation to update the project manual to conform to the requirements of the newly adopted IPSAS financial reporting framework, the requirements of results-based management and the Umoja enterprise resource planning solution.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

322. UN-Habitat is updating its project manual in order to meet the requirements of the IPSAS financial reporting framework, results-based management and the Umoja enterprise resource planning solution.

323. **In paragraph 43, UN-Habitat agreed with the Board's recommendation to: (a) ensure that a formal application change control procedure in accordance with ISO 27002 is prepared; (b) review configuration of access in the Project Accrual and Accountability System and ensure that it is in accordance with the defined role matrix; and (c) define and document a formal access request and approval procedures to ensure that access is granted according to the defined role matrix.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

324. For part (a) of the recommendation, UN-Habitat has developed new change and control management procedures, which are scheduled to take effect from the fourth quarter of 2016. Concerning part (b) of the recommendation, the configuration access and user role matrix will be reviewed during migration to the new server, which is in progress. Regarding part (c) of the recommendation, all UN-Habitat users have read-only access to the Project Accrual and Accountability System by default. An approval workflow will be implemented for users, with authority to edit, change and approve.

325. **In paragraph 49, UN-Habitat agreed with the Board's recommendation to ensure that funds requests and disbursement processes to country offices are**

streamlined so that disbursements are made within the agreed timelines to facilitate the timely implementation of implementing partner projects.

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

326. UN-Habitat is developing a web portal system to monitor payments to implementing partners and is working on the stabilization of Umoja to ensure timely payments to all stakeholders.

327. **In paragraph 54, UN-Habitat agreed with the Board's recommendation that it: (a) identify the risks that might affect project implementation in advance of the execution phase to minimize the negative effects of delaying the intended benefits for the societies involved; and (b) plan and manage the recruitment process in the field office to ensure that there is timely and adequate staffing for improved project performance.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

328. Concerning part (a) of the recommendation, UN-Habitat adopted enterprise risk management and is working on its full deployment. Project risks, including those related to recruitment, will be addressed as part of the current year's final deployment phase of enterprise risk management. With respect to part (b) of the recommendation, UN-Habitat will work with the United Nations Office at Nairobi to streamline the recruitment process and plan project management accordingly.

329. **In paragraph 60, UN-Habitat agreed with Board's recommendation to: (a) prepare project annual workplans in accordance with the requirements of the Monitoring and Evaluation Guide; and (b) establish baselines and targets for all expected outputs, outcomes and indicators in the project annual workplans.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

330. UN-Habitat is developing mechanisms to ensure that all approved projects have annual workplans in accordance with the requirements of the Monitoring and

Evaluation Guide. In addition, baselines and targets for all expected outputs, outcomes and indicators are being established.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

331. In annex I to its report for the year ended 31 December 2015 (A/71/5/Add.9), the Board provided a summary of the status of implementation of recommendations relating to previous financial periods. Information is provided below on the three recommendations that were assessed by the Board to be "under implementation".

332. The following table summarizes the overall situation as at September 2016.

Table 18
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	1	–	–	1	1	–
Urban Economy Branch	1	–	–	1	1	–
Management and Operations Division and Department of Management	1	–	–	1	1	–
Total	**3**	–	–	**3**	**3**	–

Report of the Board for the biennium ended 31 December 2013[17]

333. **In paragraph 39, UN-Habitat agreed with the Board's recommendation that it: (a) set a timeline to implement the resolution of its Governing Council in identifying a suitable partner to run the Experimental Reimbursable Seeding Operations Trust Fund and draw up comprehensive terms of reference for adequate operations and risk management; (b) set up and document a clear monitoring and assurance framework for the use and accountability of Experimental Reimbursable Seeding Operations funds; and (c) closely follow up the repayment from each borrower and ensure they adhere to the repayment schedule.**

Department responsible:	Urban Economy Branch
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

[17] A/69/5/Add.9, chap. II.

334. Only two of the original five loans are now outstanding. The two loans are performing well and are properly monitored. UN-Habitat will request that the Board close this recommendation during the upcoming interim audit.

Report of the Board for the biennium ended 31 December 2011[20]

335. **In paragraph 36, the Board reiterated its previous recommended that UN-Habitat set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.**

Departments responsible:	Management and Operations Division and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

336. UN-Habitat has sought for guidance from the Department of Management at United Nations Headquarters and, depending upon the advice received, may seek relevant authorization from the General Assembly and its own Governing Council.

Report of the Board for the year ended 31 December 2014[21]

337. **In paragraph 44, UN-Habitat agreed with the Board's recommendation that it consider the possibility of speeding up the process of fixing electronic barcodes on all assets under its control to ensure the completeness of the property, plant and equipment register.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

338. UN-Habitat bought seven barcode printers for all regional offices and circulated a memorandum in May 2016, requiring all field offices buying and receiving assets to have barcode printers in place for assigning unique barcode numbers to assets.

[20] A/67/5/Add.8, chap. II
[21] A/70/5/Add.9, chap. II

VIII. United Nations Office on Drugs and Crime

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[22]

339. Tables 19 and 20 below summarize the status of implementation of recommendations as at September 2016.

Table 19
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	2	–	–	2	2	–
Multiple offices	5	–	–	5	5	–
Total	**7**	–	–	**7**	**7**	–
Percentage	**100**	–	–	**100**		

Table 20
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	6	–	–	6	6	–
Multiple offices	11	–	–	11	11	–
Total	**17**	–	–	**17**	**17**	–
Percentage	**100**	–	–	**100**		

340. **In paragraph 17, the Board recommended that the Financial Resources Management Service undertake a thorough review of closedown procedures as Umoja reporting functionality is enhanced and seek early engagement with the Board on the audit trail, working papers and closure processes that will be provided to support the 2016 audit process.**

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

[22] A/71/5/Add.10, chap. II.

341. The United Nations Office on Drugs and Crime (UNODC) has noted the need to review the closedown procedures in Umoja with the enhanced reporting and lessons learned from the 2015 year-end closure. This is also being examined in conjunction with the United Nations Secretariat-wide 2016 closing instructions to be issued by the Office of the Controller of the United Nations. UNODC will engage with the Board so that policy, procedural, documentation and delivery timelines are, to the extent possible, resolved upfront. Year-end planning with the Board has already commenced.

342. **In paragraph 18, the Board recommended that UNODC ensure that key financial reconciliations are undertaken on a systematic basis and that control accounts are maintained to facilitate the review of key balances on a regular basis.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

343. UNODC noted that while progress has already been made in this area, a number of newly adopted back-office Umoja processes remain to be brought into manageable levels. It is also noted that during the implementation of Umoja, most of the efforts were geared towards the successful management of office processes such as budget releases, grants management, payroll, payments and treasury. UNODC is implementing this recommendation by: (a) taking an inventory of control and reconciliation processes and their status; (b) assessing the change requirements, including resources; and (c) prioritizing the changes needed on a materiality basis.

344. **In paragraph 24, the Board recommended that UNODC provide specific training for programme staff to ensure that they understand the rules and procedures for processing Umoja transactional workflows, for which they now have responsibility, and furthermore that management support the Financial Resources Management Service in ensuring compliance with Umoja and year-end process.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

345. Following the completion of the Umoja ramp-up phase in March 2016, UNODC has been providing training for grants and projects, procurement, travel and the contracting of personnel. Remedial training and targeted help-desk support for payables, claims, treasury and general accounting functions, in conjunction with IPSAS, has also taken place. UNODC has recently introduced Umoja management awareness training, which acquaints managers with the main processes. Further

training activities are planned well into 2017. All of the above, along with communications, instructions, video-based conferencing and newsletters, reiterate the need to follow the Umoja-prescribed processes. The Financial Resources Management Service and other process owners will monitor compliance in order to assess the effectiveness of training and communications. Remedial action will be taken on a process-by-process basis. Furthermore, requirements on the year-end processes are being evaluated with the view to assessing the standards and resources needed.

346. **In paragraph 25, the Board recommended that UNODC seeks to minimize the number and complexity of journal entries, and ensure that all journals are accurately described and supported within the system documentation to aid efficiency and review.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

347. The year-end closure for 2015 was complex owing to the roll-out of Umoja in November 2015. There were increased requirements in consolidating data with two legacy systems while undergoing learning on the Umoja solution. Nevertheless, UNODC accepts that the use of journal entries should be controlled through training and review. A number of Umoja processes have now been stabilized and can be fully used instead of manual journals. These improvements will be put to the test during the closing of the 2016 accounts.

348. **In paragraph 30, the Board recommended that as Umoja reporting functionality develops, a systematic process be established to monitor and report on compliance, and that the data be used to inform training needs and enhance the culture of compliance and effective operation of Umoja within UNODC.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

349. Starting in March 2016, UNODC revamped its Umoja training approach. Trainers used in the major processes are local process experts who are operational staff and highly skilled users in Umoja. Each training course includes lessons learned from the business and previous training courses, which have been adapted to be more specific to the needs of UNODC. In addition, there is an ongoing process, whereby programme manager focal points are informed of any systematic or procedural improvements on a regular basis. Furthermore, UNODC is currently assessing exception reporting through the business intelligence function in Umoja in order to exercise oversight on process flows more effectively.

350. **In paragraph 33, the Board recommended that UNODC make better use of existing risk material collated to inform management decisions, and that risks and their mitigations be regularly reviewed by senior management and reassessed to inform the corporate risk register.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

351. Enterprise risk management reports covering information on both the United Nations Office at Vienna and UNODC risk registers and the divisional ones are being prepared on a quarterly basis and submitted to senior managers. UNODC is implementing a management dashboard with the aim of aiding managers at its headquarters and in the field offices to monitor, analyse and address fluctuations in the cost recovery rates. This was prioritized as one of the key risks to be monitored for the UNODC operations. This dashboard, which was launched as a pilot, is a good example of how UNODC is using its risk register in support of the decision-making process.

352. **In paragraph 42, the Board recommended that UNODC provide a greater level of detail to support the reasons for variations between original, revised and final projected budgets, and that any assumptions that might give rise to out-turn variations be highlighted to enhance oversight and accountability.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

353. The budgets of UNODC are based on estimates and assumptions regarding future donor funding, given that basically all of its technical cooperation activities are funded by donor contributions. Variations during the budget cycle can be significant if anticipated donor funding does not materialize. The budget implementation report for 2016 will contain a detailed explanation on budget variations. Variations in terms of programme implementation are also further detailed and reported through the annual and semi-annual progress reports, as well as in the annual consolidated reports prepared by the UNODC offices and reviewed by the Programme Review Committee.

354. **In paragraph 48, the Board recommended that greater rigour be imposed on budget holders in supporting the assumptions underpinning the quality of**

their proposed budgets and expenditure profiles. There is scope for the Financial Resources Management Service to meet more frequently with the UNODC directors as well as field office programme managers to confirm, on a risk basis, whether the analysis of budgeted spend is relevant, to reinforce the accountabilities for the use of allocated resources, to support their decision-making and to assess the reasonableness of the proposed budgets.

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

355. UNODC has responded to the risk of budget variations and resulting changes in full cost recovery rates by requesting, in January 2016, a monitoring tool called the full cost recovery barometer for frequent substantive monitoring and reporting to senior management. With the introduction of the full cost recovery barometer in September 2016, frequent reporting will be done based on the more stable and complete Umoja delivery data. This barometer contains quarterly updates on budget forecasts and funding and will be reviewed at the senior management level by all divisional directors. As part of the full cost recovery barometer, a set of corrective actions has also been introduced, which directors can effect for offices or programmes with high variations. In addition, the monthly analysis of delivery data and budgets in field offices will provide early warnings in case of high variations and can be escalated to senior management as and when this occurs.

356. **In paragraph 49, the Board recommended that further improvement be made in the quality of the analysis of budget variances reported to senior management; this should include clear and specific actions for budget holders to reprofile budgets where appropriate and be reported more frequently.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

357. In addition to the full cost recovery barometer tool and the quarterly reports available to programme managers, UNODC will monitor the follow-up actions on budget variances and measure their progress on the basis of risk and materiality.

358. **In paragraph 58, the Board recommended that UNODC continue with the implementation of its full cost recovery initiatives and use the information to build a more systematic approach to efficiency activities, to enable their success**

to be measured, and to evaluate the benefits of individual savings measures. UNODC could then use the results of a more systematic process to provide a platform for field offices to share successful efficiency measures across its operations.

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

359. All UNODC divisions will continue to monitor local and Vienna-based efficiencies, propose mitigation measures and report on successes and problems to the UNODC senior management. These measures will be used to set appropriate benchmarks across the UNODC operations.

360. **In paragraph 64, the Board recommended that UNODC develop its standard performance indicators to ensure that they allow programmes to be properly measured at an operational and strategic level.**

Departments responsible:	Office of the Executive Director, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

361. UNODC is prioritizing accomplishments and indicators at the organizational level. The inclusion of a results chain linking project delivery to expected accomplishments will be done at the time of the project design, whereby all project managers will be required to include the results chain in their project plans.

362. **In paragraph 67, the Board recommended that UNODC project teams clearly articulate the delivery record of the project before seeking additional approvals for the project, so as to strengthen the confidence of the approvals committee that any revisions are reasonable and supported by clear evidence.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

363. UNODC is reviewing how to improve consistency in reporting on results in its project documents.

364. **In paragraph 72, the Board recommended that UNODC further explore the administrative and substantive reasons for the rejection of project plans and use this information to inform improvements to the guidance for project teams. Furthermore, UNODC could monitor performance against target times for each stage of the clearance process to provide better information to identify any inefficient elements.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

365. UNODC is reviewing the main reasons for the rejection of project plans and will engage at the divisional level to enhance the quality of its project plan submissions, so as to reduce bottlenecks in the clearance process. Training on project management will also be revived.

366. **In paragraph 76, the Board recommended that UNODC enhance the accountabilities for the management of funding risks within projects, requiring teams to specify how their funding gap will be filled, to identify the degree of project and cost risk and what mitigations can be taken.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

367. The UNODC programmes and projects already have risk matrices that include funding considerations. In view of the recently launched enterprise risk management framework, UNODC will set standards for the timely capturing, monitoring, mitigating and escalating programme and project funding risks. These standards will be rolled out to all programmes and projects.

368. **In paragraph 81, the Board recommended that UNODC consider a strategy to deal with any financial reporting backlog and identify and address any gaps in reporting functionalities that are creating delays in the reporting timeline.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

369. The issuance of donor reports was held pending the closure of the 2015 accounts. With the improved functionality in Umoja and donor reports being available in the business intelligence module, the timeliness of reporting is expected to improve. The year 2016 will be the first time the reports will be derived directly from Umoja.

370. **In paragraph 82, the Board recommended that UNODC centrally monitor the reporting requirements of donors and develop a methodology for donor financial reporting that creates a consistent reporting framework that is aligned to the information that can be efficiently produced from its systems. Furthermore, UNODC should do more to influence donors in agreeing a financial reporting framework aligned to internal reporting cycles and to follow as closely as possible a common reporting template.**

Departments responsible:	Division for Management and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

371. UNODC is improving the standard reporting process, as follows: (a) reinforcing corporate standards within Umoja and explaining the benefits of standard reporting to donors; (b) reiterating the reporting standards to programme managers; and (c) coordinating with the Office of Programme Planning, Budgets and Accounts at United Nations Headquarters to address standard reporting in the United Nations system-wide agreements.

372. **In paragraph 86, the Board recommended that UNODC consider the scope for simplifying the reporting structure, for example, by only reporting changes from the previous submissions, through better use of graphics to show progress against targets, and through the inclusion of key expenditure data to identify departures from the agreed forecasts and to highlight reasons for variances in spending and activity.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

373. A "beta" version of the programme management donor dashboard was launched in September 2016. The dashboard includes information on the financial targets and the amounts spent. It also includes drilldown functionalities and graphics to show progress against targets, substantive information on delivery, key expenditure data and certified financial reports. Member States have been provided with initial access to the dashboard. UNODC will continue to refine the dashboard on the basis of feedback from its users.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

374. In the annex to its report for the year ended 31 December 2015 (A/71/5/Add.10), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Information is provided below on the 12 recommendations listed as outstanding from prior periods, 11 of which were shown as "under implementation" and 1 as "not implemented" in the annex.

375. The following table summarizes the overall situation as at September 2016.

Table 21
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	9	–	–	9	9	–
Multiple offices	3	–	–	3	3	–
Total	**12**	–	–	**12**	**12**	–

Report of the Board for the year ended 31 December 2014[23]

376. **In paragraph 9, the Board recommended that management embed the financial disciplines required by IPSAS across its operations, and that staff engage in the maintenance of timely and accurate financial records and fully utilize the better quality financial information outputs to support its decision-making.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

[23] A/70/5/Add.10, chap. II

377. Commencing in September 2016, the Financial Resources Management Service has organized training sessions to address: (a) IPSAS objectives and policies; (b) the delivery principle; (c) the accruals and cut-off requirements; and (d) period-end activities. These sessions were adapted to Umoja processes and will emphasize solutions for issues encountered during the closure of the 2015 financial statements. Furthermore, the Financial Resources Management Service will adapt the 2016 year-end closing instructions, in consultation with the Office of Programme Planning, Budgets and Accounts at United Nations Headquarters, to ensure that they include measurable compliance objectives and timelines. An assessment and lessons learned exercise will take place after the 2016 financial statements are issued to address further needs. The implementation of this recommendation remains in progress owing to the ongoing revamping of processes to take advantage of Umoja automation.

378. **In paragraph 18, the Board recommended that UNODC develop fraud risk assessments to identify areas where it is most susceptible to fraud within its operations. These should be used to inform the development of risk mitigation plans to focus training and targeted exception reporting to detect cases of fraud.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

379. With the introduction of Umoja, certain contracting and payment processes are being monitored holistically through standardization and consolidation. This has enhanced both the preventive and detective controls. In line with the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat that was issued in September 2016, UNODC is establishing action points for the dissemination, awareness, support and monitoring of the framework.

380. **In paragraph 22, the Board recommended that management: (a) further improve the quality of the analysis of budget variances reported to senior management and that these should include clear actions to redeploy or reprofile the budget, where appropriate; and (b) review the budget and cost allocations between the activities of the Drug and Crime Programmes to strengthen the segmental reporting within the financial statements.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

381. A more detailed financial analysis was provided as part of note 5 to the financial statements for the year ended 31 December 2015. The report for the

second quarter of 2016 to the UNODC Executive Committee also included a more granular analysis of underexpenditure for 2015 and 2016. Furthermore, the full cost recovery barometer, a management dashboard, is being rolled out to track key indicators for field offices. The implementation of this recommendation remains in progress owing to the ongoing revamping of processes and data structures to take advantage of Umoja automation.

382. **In paragraph 40, the Board recommended that UNODC: (a) utilize the improved cost data to inform strategies for funding priorities and efficiency programmes; (b) complete the roll-out of full cost recovery to projects, strengthening guidance and training support to enable staff to understand the principles and how they should be applied to project activity; and (c) introduce an assurance/review process to ensure that the costs are consistently and reliably classified across the business in line with the framework.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

383. In July 2016, the Financial Resources Management Service issued a new guide on the implementation of full cost recovery in UNODC. The guide summarizes the key principles and methods guiding the application by UNODC of full cost recovery. The guide also provides an annex with essential details for implementation in Umoja. The launch of the guide was followed by WebEx sessions with field office administrative and finance personnel to further guide them through the process. UNODC takes note of the need to implement an assurance framework on the full cost recovery roll-out and specifically on the use of the cost classifications. The framework will be defined and put in place in 2017.

384. **In paragraph 44, the Board recommended that, to embed an evaluation culture, individual project managers should take responsibility for their projects to be evaluated. Compliance with this activity should be included in the performance appraisal system. Furthermore, the implementation rates of evaluation recommendations should be monitored by senior management.**

Departments responsible:	Office of the Executive Director, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

385. UNODC notes that its projects are evaluated every four years, in line with its evaluation policy. Projects that started in or after 2013 will be evaluated only in 2017. Directors of divisions regularly interact with branch and section chiefs on issues related to organizational learning, including lessons learned from evaluations. While it is not mandatory to include a success measure relating to evaluation of projects in a staff member's performance appraisal, all divisions encourage senior managers at the branch/section/unit chief levels to include appropriate information in their year-end self-appraisals.

386. **In paragraph 50, the Board recommended that management: (a) complete the roll-out of the risk management process and collate the information in divisional and field registers into an organizational risk register; (b) regularly review and update the register to facilitate its use as an operational tool for decision-making across UNODC; and (c) consider whether it remains appropriate for the aggregation of UNODC and the United Nations Office at Vienna risks in the same register.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

387. The roll-out of enterprise risk management at UNODC will be completed by the first quarter of 2017. Within the context of enterprise risk management, UNODC is implementing the full cost recovery barometer, a management dashboard, with the aim of aiding managers at its headquarters and in the field offices to monitor, analyse and address the fluctuation in the cost recovery rates. This was prioritized as one of the key risks to monitor for UNODC operations. UNODC will determine the applicability of separating the risk registers for UNODC and the United Nations Office at Vienna as part of the forthcoming second assessment review of its enterprise risk management initiative.

388. **In paragraph 57, the Board recommended that management further develop its understanding of project staffing requirements by reviewing, within the constraints of the United Nations Secretariat global staffing model, processes to headquarters and regional staffing plans, balancing an optimal use of resources between headquarters staff, field staff and grade profiles.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

389. UNODC is a project-driven organization and staffing costs are discussed as part of the project structure with the UNODC donors. The Human Resources Management Service is consulted regularly in this process and it also approves project documents and revisions after reviewing the staffing structure and components.

390. **In paragraph 65, the Board recommended that UNODC should: (a) within the constraints of the United Nations Secretariat global staffing model, build a model for the optimal workforce composition, capability and training needs in a medium- and long-term staffing plan; (b) use the opportunity afforded by Umoja to improve the collection of comprehensive workforce data, and utilize this to plan recruitment and the staff and capability requirements to meet the future anticipated needs of the business; and (c) consider the re-establishment of "roving teams" within headquarters that can support field offices on a short-term basis.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

391. While different projects, programmes and activities may require specific structures and hence staffing levels, UNODC will undertake an analysis at the organizational level and across programmes, as recommended, with the aim of better understanding personnel grade shifts, activity costs and overhead benchmarks.

392. **In paragraph 71, the Board recommended that UNODC improve the quality of the data collected on recruitment and track the impact of any delays in the process on operational delivery.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

393. While the human resources management scorecard, in which the staffing timeline is monitored, is fully operational, UNODC will continue to monitor and analyse the consistency of existing data in the Inspira system. Furthermore, UNODC will also look at the Umoja business intelligence capabilities to improve the analysis of staffing timelines.

394. **In paragraph 72, the Board also recommended that UNODC learn lessons from UNHCR and others that use a mobility framework and ensure that the implementation of the framework is informed by their observations.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

395. UNODC will continue to engage with other United Nations organizations that already have mobility frameworks. In coordination with the Office of Human Resources Management, UNODC will participate in the next round of implementation of the mobility framework in 2017, which will cover information technology posts.

Report of the Board for the biennium ended 31 December 2013[24]

396. **In paragraph 20, UNODC agreed with the Board's recommendation that any system enhancements be coordinated to benefit both the immediate user and the corporate need. The ability to easily monitor and review financial management information centrally is severely limited by the functionality and fragmentation of the systems. At the same time, UNODC operates a highly decentralized system of controls.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2017

397. UNODC now adheres to the global governance on systems development, as laid down by the Office of Information and Communications Technology at United Nations Headquarters and the Umoja project. As such, changes are evaluated, prioritized and developed centrally. Within this framework, UNODC is taking an active role in the requirements gathering, acceptance, and testing of Umoja Extension 2. Also within the information and communications technology governance, UNODC and the United Nations Office at Vienna developed the Umoja programmatic reporting dashboard, which combines data from the legacy systems and Umoja and allows donors and programme managers to monitor the performance of their contributions.

398. **In paragraph 75, UNODC agreed with the Board's recommendation that it enhance its framework for the engagement of external parties.**

[24] A/69/5/Add.10, chap. II.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

399. The Internal Audit Division of OIOS has included a review of the framework on the engagement of external parties in its 2017 preliminary audit plan for UNODC. In addition, the High-Level Committee on Management task force on common definitions related to fraud and implementing partners started its work in September 2016 and UNODC is participating in its deliberations. The task force will provide a common definition of external partners for use across all United Nations system organizations.

IX. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[25]

400. Table 22 below summarizes the status of implementation of the single recommendation as at September 2016.

Table 22
Status of implementation of recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	1	–	–	1	1	–
Total	**1**	–	–	**1**	**1**	–
Percentage	**100**	–	–	**100**		

401. **In paragraph 19, the Board recommended that the International Residual Mechanism for Criminal Tribunals ensure that proper records of accounts receivable are prepared and that procedures be initiated to recover those amounts.**

[25] A/71/5/Add.13, chap. II.

Department responsible:	Registry (International Residual Mechanism for Criminal Tribunals)
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

402. Since the International Criminal Tribunal for Rwanda ceased its liquidation activities in July 2016, the International Residual Mechanism for Criminal Tribunals is now responsible for the remaining liquidation activities, including the preparation of the Tribunal's final financial statements. Efforts to recover outstanding accounts receivable are under way.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

403. In annex I to its report for the year ended 31 December 2015 (A/71/5/Add.13, chap. II), the Board provided a summary of the status of implementation of recommendations relating to previous financial periods. The Board confirmed that out of the seven recommendations that remained outstanding as at 31 December 2014, five (71 per cent) were fully implemented and two (29 per cent) were overtaken by events owing to the closure of the Tribunal.

X. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[26]

404. Tables 23 and 24 below summarize the status of implementation of recommendations as at September 2016.

Table 23
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Administration	2	–	–	2	2	–
Total	**2**	–	–	**2**	**2**	–
Percentage	**100**	–	–	**100**		

[26] A/71/5/Add.14, chap. II.

Table 24
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Administration	5	–	–	5	5	–
Registry	1	–	–	1	1	–
Total	**6**	–	–	**6**	**6**	–
Percentage	**100**	–	–	**100**		

405. **In paragraph 24, the International Tribunal for the Former Yugoslavia agreed with the Board's recommendation: (a) to continue with its efforts to follow up on the request for pre-approval of asset disposals from the Assistant Secretary-General for Central Support Services; and (b) to finalize updating the assets disposal plan to guide the Tribunal in the write-off and disposal of all equipment and materials in a transparent way towards the end of its mandate.**

Department responsible: Division of Administration

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2016

406. The Tribunal is following up on the pre-approval of asset disposals with the Office of Central Support Services and once the approval is granted, the Tribunal will finalize its assets disposal plan.

407. **In paragraph 29, the Tribunal agreed with the Board's recommendation to: (a) liaise with the Umoja security team to determine appropriate ways to reduce the delays in providing access to Umoja users; and (b) ensure the timely deprovisioning of user roles in the Umoja system for separated staff.**

Department responsible: Division of Administration

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

408. The recent improvements in the user access provisioning module in Umoja have substantially reduced delays in the assignment of roles for Umoja transactional users. The Tribunal has implemented a change in the work flow in the area of human resources management to ensure the timely deprovisioning of the user roles for separated staff.

409. **In paragraph 34, the Tribunal agreed with the Board's recommendation to devise a viable training schedule to ensure that all staff complete the appropriate Umoja computer-based training.**

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

410. The Tribunal is devising a training plan to ensure that all of its transactional users have completed the required Umoja computer-based training courses.

411. **In paragraph 40, the Board recommended that the Tribunal prepare customized disposition targets or plans for individual offices with timelines that can be monitored by the Tribunal and the Mechanism Archives and Records Section through the records and archives working group to ensure that the targets indicated in the road map for the disposal of the archives and records are met.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

412. The Mechanism Archives and Records Section has worked with the Tribunal offices to prepare customized quarterly targets for the disposition of their records. The actual progress on disposition of the offices will be compared with these targets in a quarterly report to the records and archives working group. With this information, the working group will be able to monitor progress and take action to address any arising problems and issues. The Tribunal is confident that the disposition of all records will be completed by the end of 2017.

413. **In paragraph 43, the Tribunal agreed with the Board's recommendation to review information and communications technology (ICT)-related policies and guidelines on a periodic basis to ensure that they are up to date and reflect the current ICT environment.**

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

414. The Tribunal is reviewing and updating its policies and guidelines relating to ICT to incorporate the recent changes to its ICT environment.

415. **In paragraph 48, the Tribunal agreed with the Board's recommendation to finalize the process of identifying the best location for the disaster recovery site and to relocate the current off-site data backup to a different location.**

Department responsible:	Division of Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

416. The Tribunal has signed a memorandum of understanding with another organization in The Hague, and has relocated its off-site data backup to that location. In addition, the Information and Communications Technology Committee of the Tribunal is considering a report outlining options for the location of the disaster recovery site.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

417. In the annex to its report for the year ended 31 December 2015 (A/71/5/Add.14, chap. II), the Board provided a summary of the status of implementation of recommendations relating to previous financial periods. The Board confirmed that out of the six recommendations that remained outstanding as at 31 December 2014, five (83 per cent) were fully implemented, while one (17 per cent), relating to the location of the disaster recovery site, has been reiterated in paragraph 48 of the current report of the Board and the comments of the Tribunal have been provided above.

XI. International Residual Mechanism for Criminal Tribunals

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2015[27]

418. Tables 25 and 26 below summarize the status of implementation of recommendations as at September 2016.

[27] A/71/5/Add.15, chap. II.

Table 25
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	3	–	–	3	3	–
Total	**3**	–	–	**3**	**3**	–
Percentage	**100**	–	–	**100**		

Table 26
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	5	–	1	4	4	–
Total	**5**	–	**1**	**4**	**4**	–
Percentage	**100**	–	**20**	**80**		

419. **In paragraph 26, the Board recommended that the International Residual Mechanism for Criminal Tribunals use the policy development framework to update its administrative rules, policies and procedures to suit its current operating environment.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: First quarter of 2017

420. The Mechanism is using the policy development framework to draft new administrative rules, policies and procedures, and it anticipates that most of them will be finalized by the end of the first quarter of 2017.

421. **In paragraph 32, the Board recommended that the Mechanism, through the Mechanism Archives and Records Section, closely monitor the backup tapes in the storage place.**

Department responsible: Registry

Status: Implemented

Priority: Medium

Target date: Not applicable

422. The Mechanism Archives and Records Section has implemented a regime for management and control of the tapes that are in storage. The tapes are now stored in locked safes, in an environmentally controlled room and only staff of the Section have access to the keys of the safes.

423. **In paragraph 37, the Board recommended that the Mechanism, through the Mechanism Archives and Records Section, ensure that the training plan is updated and that the formal training in the disposition of digital records is carried out at the earliest possible time.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

424. The Mechanism Archives and Records Section has updated the high-level plan for the records disposition project of the International Tribunal for the Former Yugoslavia with respect to the provision of training. The Section has established a schedule of training on the preparation and transfer of both physical and digital records. The training will be offered regularly from September 2016 until June 2017.

425. **In paragraph 43, the Board recommended that the Mechanism urgently collaborate with the International Tribunal for the Former Yugoslavia and establish an appropriate working group to: (a) review the Mechanism's information technology systems and applications requirements; and (b) develop workplans to harmonize and consolidate the applications and systems inherited from the two Tribunals, as appropriate, to meet those requirements.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

426. The Mechanism, in collaboration with the International Tribunal for the Former Yugoslavia, has established working groups for each business unit. The working groups are currently reviewing the Mechanism's information technology systems and applications requirements and will develop workplans for the harmonization and consolidation of the applications and systems.

427. **In paragraph 52, the Board recommended that the Mechanism collaborate with the Procurement Division at Headquarters to: (a) continue to closely monitor the project so as to avoid further delays; (b) prepare a project plan and supervise its implementation to demonstrate how the project will be completed on time and within the approved budget; and (c) evaluate and enforce the provision regarding liquidated damages, as appropriate, for the failure of the contractor to abide by the contractual terms.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

428. As regards part (a) of the recommendation, the Mechanism continues to closely monitor the project and notes that a recent audit of the Office of Internal Oversight Services found that the Mechanism's project management was satisfactory. Regarding part (b) of the recommendation, the Mechanism notes that the project will enter the testing and commissioning phases in the fourth quarter of 2016, the last step before substantial completion. The project remains well within its approved budget. As regards part (c) of the recommendation, the Mechanism continues to consult with Office of Legal Affairs and Office of Central Support Services to evaluate all contractual remedies and remains ready to enforce them, as appropriate.

B. Implementation of the recommendations of the Board for prior financial periods

429. The Board, in paragraph 9 of its report on the audit of the Mechanism for the year ended 31 December 2015 (A/71/5/Add.15, chap. II), confirmed that there were no outstanding recommendations relating to previous years.